



May 7, 2007

Rep. Fred Miller, Chairman
House Labor Committee
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909

Dear Chairman Miller:

Please accept this letter in opposition to House Bills 4625, 4626, and 4627 that would create a "comparable worth" law in Michigan.

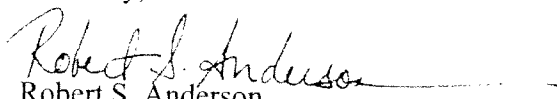
Michigan Farm Bureau represents agricultural producers statewide who grow over 120 different commodities. Because of Michigan's agricultural diversity, this legislation would create significant challenges in developing comparable values for work that may seem similar but is, in fact, very different.

Michigan Farm Bureau policy supports "agricultural piecework rates as a method of payment to allow for the many variable situations that are found in agricultural employment." We believe that a system that seeks to establish comparable value between different types of work will have serious negative implications for agricultural producers and potentially eliminate the piecework rates. We believe it is neither possible nor prudent to compare the work performed by an individual who picks apples with the work performed by an individual who picks blueberries even though the work, on the surface, appears to be the same.

We appreciate your interest in adding agriculture representation on the Commission on Pay Equity created in HB 4627. We are concerned that the commission, as proposed, lacks any agricultural representation and would be ill-equipped to make decisions on agricultural occupations. While we would strongly support adding agricultural interests in the proposal, this change would not alter our fundamental opposition with the legislation.

Thank you for your quick response to our initial concerns.

Sincerely,


Robert S. Anderson
Legislative Counsel



House Labor Committee
May 8, 2007
Testimony – Melissa Trustman

Re: House Bills 4316, 4625-27 & 4533

Members of the House Labor Committee:

On behalf of the Detroit Regional Chamber, representing over 23,000 businesses in the Detroit Region, I urge you to oppose the above referenced bills before you today.

While these bills were drafted not with malicious intent, their consequences upon implementation can further harm Michigan employers and employees. As a state facing the worst economic times in its last 15 -20 year history and whose performance rankings place it at the bottom of almost all states, implementing further restrictions on labor law will only widen the employment gap.

House Bills 4625 – 4627, which extend the equal pay laws, disregards any other differences in employment. As a region with a variety of geographies and a variety of employers, we often see differences in compensation and benefits. Many times, these factors can be attributed to the type of industry, size of company, location or education attainment of the specific workforce pool. By passing the bills before you, a small company employing an engineer located in Saline would have to pay the same amount as General Motors employing an engineer in Detroit. With a relatively much higher cost of living, the Detroit engineer would actually see an effective decrease in their compensation.

The second set of bills on which we encourage your opposition include House Bill 4533 and HB 4316. Both close the door on employee-employer communication. As a state that has needs effective management and labor relations, these bills will only hamper that ability. House Bill 4316 in particular may not even be viable under federal law by limiting the rights and obligations of employers to communicate with their employees on specific issues.

We also encourage you to oppose House Bill 4533, which will widen the opportunities for third party arbitration for public employees. One of the greatest challenges our public institutions have today is the ability to control cost. By increasing the ability to deflect

to a third party negotiator, we limit the ability of public institutions to both manage their costs and engage their employees.

In addition to harming current employees and employers, the bills before you bring another level of challenges to economic development in Michigan. As a state that has lost hundreds of thousands of jobs, we cannot afford to increase the difficulty to retain what is left and attract the next generation of business.

I encourage your opposition to halting the evolution of Michigan's economy. I would be glad to answer any questions or concerns you may have. Thank you for your consideration.

Melissa Trustman
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313-596-0409



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF CIVIL RIGHTS
EXECUTIVE

LINDA V. PARKER
DIRECTOR

May 7, 2007

Representative Fred Miller
Chair, House Labor Committee

Re: HB-4625, 4626 and 4627

Chair Miller and Distinguished Committee Members,

Copies of the Michigan Civil Rights Commission's position statement supporting equal pay for work of equal value and the accompanying release are attached. The Commission statement supports pay equity and is consistent with HB-4625. Neither the Commission nor Department of Civil Rights has taken a formal position on HB-4626 or 27.

Our primary concern with HB-4626 is that we would oppose any effort to treat one form of discrimination differently than the others and any penalty provision should apply to all Elliot Larson Civil Rights Act claims equally. Also, while we would support some sort of 'additional' penalty for discrimination (paying somebody what you should already have paid them is not a penalty), we do not necessarily believe it should be criminal. Before a criminal penalty is imposed we believe there needs to be greater discussion on issues like the higher burden of proof required in criminal cases, whether involving local prosecutors or the Attorney General and possibly police would impede effective investigations, and whether the addition of punitive damages in ELCRA cases might better achieve the desired result.

Additionally, while we agree some sort of review of equity of existing State pay classifications is in order (there is no reason to wait until the State is sued), we have not taken any position on whether this review requires the creation of a separate new commission as envisioned in HB-4627. There are also funding questions that we believe need to be addressed before such a commission is created.

Please contact us if you have any additional questions.

Respectfully yours,

Daniel M. Levy
Michigan Dept. of Civil Rights
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Detroit, MI 48202
(313) 456-3812
levyd@michigan.gov

Position Statements



Position Statement of the Michigan Civil Rights Commission on

Pay Equity

The Michigan Civil Rights Commission believes that men and women should be paid according to the value of the work performed and not based upon the gender of the person performing it. The 1971 joint Civil Service – Civil Rights study of opportunities for women documented the concentration of women in traditional areas of work at lower rates of pay. In both the public and private sectors, most women are still employed in traditionally “female” jobs that pay a lower wage rate than traditionally “male” jobs, regardless of the duties performed and the value of their work.

Michigan has outstanding civil rights legislation, which requires equal pay for substantially equal work. That legislation, however, has left unaddressed the larger problem of depressed wages for women who perform dissimilar work requiring comparable or greater skill, effort and responsibility.

The Commission, therefore, supports pay equity amendments to the state civil rights laws, which guarantee equal pay for work of equal value and mandate a non-discriminatory job evaluation system as part of the legislation. The Commission is also committed to working actively with the United States Commission on Civil Rights and with sister organizations and associations in other states to gain support for the passage of pay equity laws at the federal level and in other jurisdictions.

Adopted: December 11, 1989

Re-Adopted April 23, 2007



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF CIVIL RIGHTS
EXECUTIVE

LINDA V. PARKER
DIRECTOR

For Release: April 25, 2007

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Michigan Civil Rights Commission Re-Adopts Statement On Pay Equity

Lansing, MI – On Monday, April 23, 2007, during its general meeting, the Michigan Civil Rights Commission (MCRC) re-adopted its December 1989 position statement expressing support for pay equity. In what is likely only a first step in this issue, the Commission felt compelled to reiterate its past statement as pay equity is still a pressing concern in Michigan.

"It is disappointing to know that almost 20 years after the release of the original statement, unequal compensation is still a burden that women have to carry," said Linda V. Parker, director of the Michigan Department of Civil Rights. "The Commission's re-adoption of its earlier statement symbolically demonstrates the need to resurrect this issue and take further steps to ensure that employees of both genders are compensated equally."

The Commission's statement was re-adopted in honor of Equal Pay Day, and in response to a series of press conferences on Monday regarding the introduction of legislation related to equal pay in Michigan. As the Commission meeting took place before the introduction of the actual legislation, the Commission did not issue a statement supporting the proposed bill. Instead, this statement confirms a commitment to the idea of pay equity and an intention to continue exploring possible avenues to address pay equity concerns in the state.

For more information on the Michigan Civil Rights Commission call 1-800-482-3604 or visit <http://www.michigan.gov/mdcr>.

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Chairman Miller and members of the committee, thank you for allowing me to speak to you today. My name is Christina Canfield. I work for the Michigan Education Association. Until a recent job change, I represented MEA members who work in the Howell and Hartland Public Schools. During my time there, the custodians in Hartland were privatized. You will hear later today from one of my former members, Nancy Angerelli regarding the human toll privatization takes.

I would like to testify today regarding the toll privatization takes on our children and our communities. And I'd like to dispel some of the myths you may have heard about alleged financial savings gained by privatization.

When a School Board and Administrators make a decision to privatize, they become very invested in that decision. It is often made in spite of vigorous objections from the community. Unfortunately, that investment makes them blind to the fall out of their decision.

As I'm most familiar with Hartland I'd like to speak to that district. I'm sure if you spoke with the administrators or school board members they would tell you that they had no choice but to privatize. They would also tell you that it has been a great success. What they wouldn't tell you is that they have experienced at least a 40 % staff turnover rate from the private company. I don't believe they would mention that at least one of the employees worked for several days without being fingerprinted. I'm confident that they wouldn't mention the dramatic increase in cases of lice and flu or the condom found in the Kindergarten classroom. I am thankful every day that lice can be cured and the flu goes away. The person who wasn't fingerprinted wasn't found to be a child molester and while one of the custodians from the private company threatened some food service workers, he didn't actually hurt them or any children. Thankfully, in spite of the fact that the private custodians regularly leave the buildings at night without setting the alarms, they haven't yet experienced vandalism or found anyone who shouldn't be there when the first staff and children arrive in the morning.

So far, Hartland has been lucky. And God willing that will continue to be true. But what if their luck runs out? The community opposed the privatization. Their neighbors, friends and family members have lost their jobs. The local businesses have suffered because they can't afford to eat out or shop in the local stores. What if something goes wrong? Will we be celebrating how much money was saved? Or will we be looking back and wondering how things could have gone so wrong.

And speaking of money, Hartland administrators said they needed to save \$500,000.00. That was the reason they had to privatize. And yet, at the School Board meeting immediately following the meeting where they voted to privatize, the district auditors reported finding \$500,000 the business manager had "lost". You and I can both guess at the real reason they privatized. What's completely clear, however, is that it didn't have anything to do with money. In fact, our research shows that privatization doesn't save money. After all is said and done, the total costs end up being much the same as before privatization.

And this is just the beginning. We hear more and more about districts privatizing secretaries. Those would be the people who dispense the medicine to the students. How long will it be before something happens when you have a 40% turnover rate in the person handing out medicine to our children? Some districts are considering privatizing special needs aides. These same people that a few years ago we decided needed to be highly qualified. And then there are coaches, counselors and social workers. With a 40% turnover rate, how will they ever get to know our kids well enough to help them?

Mr. Chairman, members of the committee, I don't pretend to be an expert, but I learned a lot in Hartland. I learned privatization doesn't work. As a mom, I learned privatization puts my kids at risk.

Thank you.

We, Detroit Public School Social Workers support House Bill 4533, which repeals portions of Public Act 112 of the 1994 that prohibits a public school employer and a representative of its employees from bargaining over the contracting out for non-instructional support services.

A.) Privatizing support services could be detrimental to our student population.

- Research states that students and families in urban school districts like Detroit benefit academically from consistent relationships. These bonds help students to effectively engage in the learning process throughout their developmental stages. Unlike the DPS School Social Work (SSW) department, private agencies often have a high employee turnover rate.
- Consistent relationships are particularly important for students at DPS because of the severity and intensity of challenges they struggle with on a daily basis. The SSW department implements interventions and programs to ameliorate the crushing effects of generational poverty, high unemployment /under employment, high school drop out rate, gangs/juvenile delinquency, substance abuse, teenage pregnancy, a disintegrated family structure, Child Care Institutional placements, a staggering rate of HIV/AIDS & STD's, a high murder rate and other violence, and homelessness.
- SSWs are mandated by the State of Michigan & the Federal Government to evaluate and provide services to students with cognitive, emotional, physical, or developmental deficits. SSWs must also reevaluate students with Emotional impairments and Autism Spectrum Disorder every 3 years. SSWs provide services to Regular Education students with developmental, academic or emotional challenges. SSWs provide crisis intervention throughout the district as needed. Currently the district has over 19, 000 students eligible for special education services. According to the Berkshire Report (April 2001) there is a high incidence of Learning Disabled students (40.9%), Cognitively Impaired (17.9%), Speech/Language Impaired (19.3%), Emotionally Impaired (5.3%) and Autism Spectrum Disorder (1.7%). Over 90% of the support services are provided in segregated self-contained classrooms and center-based programs. These students need assistance integrating successfully into general education, called inclusion & mainstreaming, and transitioning to the world of work and higher education. The SSW department is intimately placed within the system with particular knowledge and professional skills to advocate, assist students navigate and pool resources. This knowledge has been groomed over generations in the SSW department. *The learning curve for a privately contracted agency would be very steep, monetarily costly and time consuming.*
- The SSW department regularly uses its resources to provide professional development on national/state best practice strategies to improve the academic/social achievement of our students. SSWs maintain a cohesive

relationship with staff, administration, students and parents. SSWs use this information to advocate for student needs, increase the awareness of staff and facilitate workshops for staff and parent around the needs of special & regular education students. Over the years the SSWs gather and analyze data to help determine strategic goals and foci to best meet student needs in line with the district goals and mission. *It would be very difficult for a private agency to build and maintain the relationships mentioned in a school district as large and diverse as Detroit's. Also it is to the Districts and States advantage to utilize the wealth of experience and expertise nurtured in the SSW department.*

- SSWs bill the state for Medicaid reimbursable services for students receiving Specialized Student Support Services. Those monies are returned to the district's general fund. *Where would the Medicaid funds billed by a private agency go? It would not financially support the district.*

B.) Monitoring systems are lax for contracted private agencies.

- *Privatization provides a lack of accountability in terms of service monitoring. Once the contract is made the district is locked in despite the quality of service, including the tendency to be closed during the hours they are supposed to be open and accessible. What monitoring system insures that clinics provide services consistent with district, state and federal guidelines, to which SSWs are held accountable?*
- Privatization prevents the option for counter-proposals by district employees.
- Private mental health providers or clinics obtaining contracts with DPS are not required to meet State mandates of R340.1014 "Competencies of school social worker (please see attachment, RULES RELATING TO EDUCATION).
- Private contractors are not subject to the many levels of public scrutiny that DPS school social workers are, with oversight from various regulatory bodies such as the Wayne County ISD (Wayne County RESA), the state Department of Education and Federal oversight.

C.) Collaborating with the Collective Bargaining Unit is good Public Policy.

- *District School Social Workers are an integral part of a dynamic educational system. The DPS educational system needs many of its sub-systems to work in concert with the districts' mission, goals and objectives. The commitment to meet individual school and District goals is developed and carried out as team-players through activities such as participants in School Improvement Plans, Resource Coordination Teams (RCT), Response to Interventions (RTI), Positive Behavioral Support (PBS) & Behavior Intervention Plans (BIP), classroom interventions, and selected drop-out prevention programs; as well as Special Education tools for assessment & evaluation like the Multi-disciplinary Evaluation*

Team (MET), Individual Education Treatment Team plans (IEPT), and Manifest Determinations or truancy/attendance interventions. In addition, the SSW department coordinates a federally-funded Homeless intervention program. These programs have an impact on the children's educational performance and ultimate success as productive citizens.

- The school district benefits from utilizing the expertise gained from constant professional development provided in house, State mandated academic requirements uniquely required of School Social Workers and a staff culture and climate dedicated to the children and parents of the Detroit Public School system. These School Social Workers have years of experience applying best practices to decrease the barriers to success of Detroit's student population.
- The Detroit Public School Social Workers demonstrated its dedication to students through many programs created and financially supported exclusively by SSWs, such as, The Mildred Ellis Scholarship Foundation which has given over \$200,000 to deserving High School Seniors and The Sara Kerr Fund (provides emergency money for homeless children and families). We collaborate with community organization to provide a myriad of needs to students like, LensCrafters (glasses to thousands of students each year), The School Bell Project (clothes and school supplies to hundreds of homeless elementary students each year) and the Christmas Toy Drive (provides new toys to children in shelters around the city). SSW devotes personal time and money to the students of Detroit, because we care personally, not just professionally about their success as future citizens of our city. That is a relationship the district cannot contract out and hope to foster.

<p>Kim Ewing, LMSW, ACSW -Detroit Federation of Teachers</p> <p>http://www.dft231.com/new_page_1.htm</p> <p>School Social Work Chapter Chair ktedet@peoplepc.com 313-544-6689</p>	<p>Tracie McKissic, LMSW -Michigan Association of School Social Workers http://massw-mi.org/index.html</p> <p>Region D President 1413 Nicolet Pl., Detroit, MI 48207 traciemckissic@aol.com 313 567-9232 (h) 313 377-9232 (w)</p>	<p>Leonard T. Zabawski, LMSW Detroit Federation of Teachers, School Social Work Chapter Alternate Chair; and Michigan Association of School Social Workers, Region D Membership Chair 44043 Vassar Canton, MI 48188-1032 leonard.zabawski@detroitk12.org 734 981-4365 (h) 313 866-0861 (w)</p>
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<p>Michelle Thompkins, LMSW -Detroit Association of School Social Workers</p> <p>Chapter President 313-417-9362 (w) 313-283-4131 (h)</p>	<p>Robert Thomas, LMSW Trustee, Detroit Federation of Teachers</p> <p>29255 Red Leaf Drive Southfield, MI 248-569-8540</p>	
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KE: TM: LZ

Attachment: R340.1014 "Competencies of school social worker" RULES
Monday, May 07, 2007

R 340.1013 Approval of training program.

Rule 3. A school social work training program maintained by an institution of higher education in this state shall be approved by the state board of education. An approved program shall be in compliance with the competency requirements under R 340.1014.

History: 1954 ACS 92, Eff. Sept. 8, 1977; 1979 AC.

R 340.1014 Competencies of school social worker.

Rule 4. (1) A school social worker shall possess applicable knowledge of:

- (a) Individual, family, group, and community dynamics, as well as mental health concepts and behavior which result from mental, physical, sensory, emotional, speech, or any other handicapping conditions.
- (b) Educational organization, delivery systems, and the school as a social institution.
- (c) Varying lifestyles, and their influence and counter-influence on learning and school-community relations.
- (d) The learning process as it relates to the developmental stages of children.
- (e) Learning patterns, including actual and potential impediments to learning.
- (f) The legislative process and impact of law on education.
- (g) Structure, function, and policy of major human services organizations.
- (h) Value and ethical constraints within which the social work profession operates.
- (i) Research, evaluation, tests, and measurements.

(2) A school social worker should possess ability and skills as follows:

- (a) Ability to recognize deficits in learning patterns and to develop plans with school personnel for alternative learning experiences.
- (b) Skill in systematic observation and assessment of the individual pupil or groups of pupils in problem situations and the ability to formulate appropriate plans of action.
- (c) Skill in the selective collection of information and documentation of biological, psychological, sociological and environmental factors which affect the learning process.
- (d) Skill in identifying and assessing the social-emotional needs of pupils and the ability to design appropriate interventions to enhance the learning environment in the school.
- (e) Ability to communicate to appropriate persons, such as the school superintendent, principal, supervisor, and the educational planning and placement committee, regarding socio-developmental findings, goals and objectives, and intervention strategies, as well as outcomes and recommendations.
- (f) Skill in identifying and developing resources within and outside a school system.
- (g) Skill in providing appropriate direct or indirect treatment services to individuals, groups, families, and the school community.
- (h) Ability to share social work knowledge and skills with team members and professionals, parents, pupils, and others in the areas of mental health, human behavior, and child management.

History: 1954 ACS 92, Eff. Sept. 8, 1977; 1979 AC.

R 340.1015 Out-of-state applicants.

Rule 5. (1) An applicant for school social work approval in this state who has been educated in an accredited school of social work in another state shall present evidence of having fulfilled all of the requirements established for applicants who have been educated in the approved Michigan universities.

(2) Temporary approval as a school social worker may be granted to an applicant from another state who presents evidence of graduation from an institution of higher education if the school of social work was accredited at the time of graduation by a national social work education accrediting agency approved by the state board of education.

(3) Full approval will be granted in accordance with R 340.1012(2).

History: 1954 ACS 92, Eff. Sept. 8, 1977; 1979 AC.

R 340.1016 Presently employed school social worker.

Rule 6. (1) A person employed by a school district and fully approved as a school social worker on the effective date of these rules shall retain full approval status.

(2) A person employed by a school district as a school social worker with temporary approval on the effective date of these rules shall not be denied approval to continue in the same position, but shall complete the previous requirements for full approval within 2 years. There shall be no time extensions granted beyond 2 years from the effective date of these rules.

History: 1954 ACS 92, Eff. Sept. 8, 1977; 1979 AC.

R 340.1017 Use of title "school social worker."

Rule 7. Only those persons approved by the state board of education as school social workers, in accordance with these rules, shall use that title.

History: 1954 ACS 92, Eff. Sept. 8, 1977; 1979 AC.

LEGISLATIVE PRESENTATION

Mr. Fred Miller Committee Chair
Committee Members

Dear Honorable Members:

PURPOSE

It is our understanding that House Bill No. 4533 is under consideration regarding the collective bargaining rights of non-instructional support staff in public schools. We the School Psychologists, respectfully submit this communication to the Committee Members of this bill as informational input on this serious matter.

BACKGROUND

To offer background on School Psychologists, our training is extensive and one must be certified and licensed by the State of Michigan in School Psychology. This is a separate specialty from clinical and other psychological disciplines and many school psychologists have full or limited licensure with the State of Michigan as clinical psychologists as well. The State of Michigan requires prior to Preliminary School Psychologist Certification being granted, that all academic requirements (60 plus graduate credits) be completed inclusive of a mandatory 600 clock hour internship 300 of which must be completed in a school setting. After one year of successful experience as a School Psychologist with mandatory supervision from a Certified School or Fully Licensed Psychologist and an additional 600 clock hour internship totaling 1200 clock hours, full certification is granted. Although a minimum of 45 graduate semester hours is necessary to receive a Master of Arts in Psychology, Michigan Universities that maintain state-approved School Psychology preparation programs require nearly 60 graduate hours including the initial 600 clock hour internship before application for Preliminary Certification can be made.

School Psychology preparation programs offer an integrated, organized sequence of study. School Psychology programs place emphasis on psychology as well as education with coursework including Educational Psychology, Developmental Psychology, Behavioral Psychology, Educational Issues, Social Psychology and Social Learning, ***Learning Disabilities and Exceptional Children***, Child, Adolescent and Adult Psychology, Psychotherapy with children, adolescents and adults, ***Reading Methodology***, ***Reading in the Content Area***, ***Curriculum Design***, Psychological Evaluation and Internships in School and Clinical Psychology. This is only approximately 20% of the coursework and program. School psychologists may receive National Certification from the National School Psychology Board (NCSP credentials as a Nationally Certified School Psychologist). Further, State of Michigan requirements for renewing professional teaching certificates now require a course in the diagnosis and remediation of reading

disorders. This course along with other reading and instructional methods courses are basic requirements of these intense School Psychology Graduate programs.

Once granted, full certification is valid for five years. The renewal of the certificate is contingent upon the completion of a required six semester hours or credit in an approved program or the equivalent in approved State Board Continuing Education Units (SB-CEU's). This is the exact requirement, which has been established for the re-certification of teachers under the State of Michigan Teacher Certification regulations. **All renewal requirements must contribute to the individual's professional development as a School Psychologist.**

SCHOOL PSYCHOLOGIST ROLE IN PUBLIC SCHOOLS

School Psychologists are able to tailor their services to meet the particular needs of each child and situation in order to assure successful developmental, emotional, cognitive and social growth. The following are considered the core of the many services a School Psychologist is able to provide:

Consultation

- With teachers, parents, other appropriate school personnel and professional and judiciary agencies regarding learning, social and/or behavioral problems
- With **Resource Coordinating Teams (RCT)** to address individual and/or global school issues
- With parents and other school or agency personnel to develop **Intervention Assistance Plans** to support the learning environment

Prevention

- To train students in peer mediation techniques
- To manage school or community crisis situations
- Knowledge and use of the literacy program currently used by the district
- Facilitating parent groups and/or workshops
- Participation in Title I meetings and/or workshops
- Working relationship with Reading First teachers and students
- *To facilitate early identification of student's emotional and learning difficulties through reading intervention strategies provided in group sessions to possibly avoid evaluation for Special Education: Response To Intervention (RTI).*
- Serve as a member of each school's pre-referral, RCT or problem solving team for students with suspected disabilities

Assessment/Evaluation

- To assess individual children to gain a picture of their intellectual, academic and emotional functioning

- To gain an understanding of a child's functioning within the classroom using observation and teacher assessments/reports
- To conduct collaborative meetings with parents, teachers, administrators other appropriate school personnel and community agencies to address the needs of the total child
- To provide a reevaluation every three years to all students who are currently receiving Special Education services

Crisis Intervention

- To resolve conflicts between students in a peaceful manner
- To provide support and coping strategies to students in personal crisis
- To facilitate the process of coping with major school-wide crisis such as the death of a student or staff member

For the School Psychologist the following functions are essential:

- **Consult and work cooperatively** with school administrators, teachers and parents in providing psychological services to students
- **Engage in primary prevention to change the incidence of new referrals by intervening proactively before a disorder occurs**
- **Establish and maintain relationships with other professionals** who provide services to children and families and collaborate with those professionals in prevention, assessment and intervention efforts as necessary.
- Carry out psychological and psycho-educational evaluations utilizing a variety of observational, behavioral and interview techniques, as well as the traditional use of both normative and criterion-reference instruments.
- Prepare written psychological evaluation reports that meet state and federal guidelines and timeline mandates, and are consistent with department practice
- **Coordinate MET/IEPT procedures**, including Section 504 meetings for cases of students suspected of having handicapping conditions. The MET is the summary of evaluations provided and the IEPT is the legal document that will either place or not place a child in a special education setting.

When certified support staff is privatized, the quality and wide spectrum of psychological services, as well as, accountability is negatively impacted. There are very few checks and balances, a general lack of understanding of the school culture, no loyalty to the school, its community and generations of families that has been and is currently being served.

According to the National Activities To Improve Education Of Children With Disabilities document part of Section 650 Findings states that “The availability of an adequate number of qualified personnel is critical

- (A) to serve effectively children with disabilities
- (B) to assume leadership positions in administration and direct services
- (C) to provide teacher training and
- (D) to conduct high quality research to improve special education

High quality, comprehensive professional development programs are essential to ensure that persons responsible for the education or transition of children with disabilities possess the skills and knowledge necessary to address the educational and related needs of those children.”

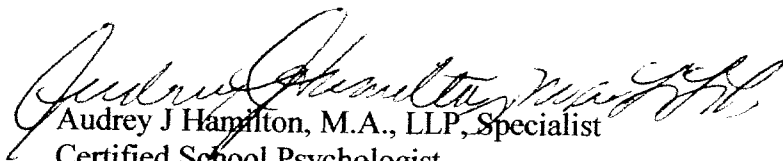
Further, the NCLB act required that all professionals who provide direct services to regular and special education students be highly qualified and that the requirements for state certification and/or licensing be met by 2007. School Psychologists, as mentioned, have met these requirements and continually engage in professional development activities based upon scientific research.

We trust that this information has provided this body with the documentation required in order to understand that this certified body is critical to the process of educating children and the impact in regular and special education programs.

Sincerely,



Renee Bouey, Ph.D., LLP, NCSP
 Certified School Psychologist
 Co-Chair School Psychology Chapter



Audrey J Hamilton, M.A., LLP, Specialist
 Certified School Psychologist
 Co-Chair School Psychology Chapter



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

RON GETTELFINGER, *PRESIDENT*

ELIZABETH BUNN, *SECRETARY-TREASURER*

VICE-PRESIDENTS: GENERAL HOLIEFIELD • BOB KING • CAL RAPSON • JIMMY SETTLES • TERRY THURMAN

**STATEMENT OF
NADINE NOSAL
MICHIGAN LEGISLATIVE COORDINATOR
INTERNATIONAL UNION UAW
COMMUNITY ACTION PROGRAM
before the
Michigan House of Representatives
Labor Committee**

May 8, 2007

Good morning. Thank you Chairman Miller and committee members for allowing me to testify on this important resolution. My name is Nadine Nosal and I am the Michigan Legislative Coordinator for the International Union, UAW assigned to our UAW Community Action Program, or UAW CAP. Across Michigan, the UAW represents approximately 400,000 active and retired members and their families in both the private and public sectors.

The UAW urges your support and affirmative vote on the resolution before you today. House Resolution 92 begins to address the issue of privatization or outsourcing of state work to non-public entities.

Unfortunately, the issue of outsourcing of our members' jobs is nothing new to the UAW. It is a battle the UAW has been waging for decades in our private sector units and since the 1990's in our public sector Technical, Office and Professional units. The two largest UAW locals, child care providers and state employees, are part of our public sector membership. Like their private sector counterparts, public sector employees have seen their work privatized, contracted out or non-profitized over the years. The total state workforce has shrunk in size to the same levels it was in the early 1970s while the number of state dollars committed to private contractors has grown.

Advocates for the transfer of government provided services to private for-profit or non-profit contractors claim that such a move will not only shrink the size of state government but it also lowers costs and improves efficiency while providing equal or better services. This has proven to often not be the case.

May 7, 2007

RE: Outsourcing of Public Services

Mr. Chairperson and Members of the Committee:

Thank you for allowing me this opportunity to address the committee again. For the record, my name is Nick Ciaramitaro and I am the Director of Legislation and Public Policy for the Michigan Council of the American Federation of State, County and Municipal Employees.

The subject before you today is something that has been coined "privatization." But at the risk of being accused of being too picky on semantics, I would suggest that the term "privatization" is incorrect. The dictionary definition of "privatization" is the:

"practice of transferring to private ownership an economic enterprise or public utility that has been under state ownership"¹

The practice we are referring to here does not transfer ownership, responsibility or cost of any public enterprise or public utility. Rather, we are talking about a practice of outsourcing the labor necessary for certain services which remain public responsibility. Further, all of the cost of the provision of these services remains in the hands of the public sector. That is, taxpayers continue to bear the full cost and in many cases the additional cost of providing the services. The resolution before you today, recognizes that reality and looks to using private and public employees in the most cost effective manner for the benefit of the taxpayers who are picking up the bill and for the consumers of essential state services who deserve quality services.

Consumers of public services and taxpayers are the same people. It is a common myth to suggest that the taxpayers who pay the bill are not consumers of the services provided. All of us use public services every day from the time we get up expecting clean water and safe food to the time we die expecting regulations to protect the dignity of our earthly remains and distribution of our assets in accordance with our wishes.

The services provided are critical to our way of life. How to provide quality services efficiently and effectively is a matter under discussion now and improving the delivery system will no doubt always be a topic before the Legislature.

There are those who argue that outsourcing is the most effective and efficient manner of providing quality services. Unfortunately, experience has demonstrated just the opposite. Let me give a few examples:

1. Michigan experimented with a privatized prison in Baldwin. The result was the most expensive per prisoner cost in the State and so many problems that the State had to close it down.

¹ Encarta Dictionary

2. Several years ago Huron Valley facility outsourced food service to the Marriott Corporation with a cost of \$12 to \$16 per inmate per day. By returning the service to public employees, the costs are now around \$4.30 per inmate today. The private system was abandoned not only because of food costs but the increased security costs.

3. The Senate Appropriations Subcommittee on Human Services is currently advancing a recommendation to outsource all foster care and most juvenile justice services. With no authentication, proponents argue that the proposal would save the state \$40 million in the first year. A recent analysis by the Department of Human Services estimates that the proposal would actually cost the state over \$24 million dollars. Further they have documented additional costs to counties and loss of federal funds in the event the proposal is adopted.

4. A proposal to privatized services at the Grand Rapids Home for Veterans and the D.J. Jacobetti Home for Veterans was met with fierce opposition two years ago not only by staff, but patients and veteran organizations fearing the loss of the current high quality services. The proposal was rejected.

5. A boilerplate provision in the Transportation budget that was included by earlier legislatures *requires* outsourcing of certain contracts without regard to cost/benefit analyses.

Michigan AFSCME Council 25 does not oppose the use of outside private contractors where it is cost effective. But our public sector members work hard and have sacrificed to help the state through wage and benefit concessions and increased work loads. They deserve to be recognized and they deserve to be given proper consideration when deciding the most efficient manner of providing quality, essential services to the people of the state of Michigan. That is what this resolution would require. It is good for taxpayers. It is good for quality. And it is fair to public and private employees alike. We urge your support.

Thank you for your consideration.

THE PRIVATIZATION MYTH

PRESENTED TO THE
LABOR COMMITTEE
OF THE
MICHIGAN
HOUSE OF REPRESENTATIVES
MAY 7, 2007

Prepared by
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Michigan AFSCME Council 25

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Privatization

The dictionary definition of privatization is the “practice of transferring to private ownership an economic enterprise or public utility that has been under state ownership” (Encarta Dictionary). Recently, the term privatization has been used to refer to the outsourcing of government jobs to private for-profit or not-for profit companies. It is sometimes called “contracting out” and has recently been dubbed “non-profitization” by some proponents.

Under the new definition no governmental responsibility or cost is transferred – only jobs – and frequently at a cost to the taxpayer. All labor is achieved through contract – either with an individual, a group of individuals through a union, or with a private company. Only the latter is considered in privatized arrangements.

Proponents argue that the State saves money. Experience teaches us otherwise.

Corrections

Michigan experimented with a privatized prison in Baldwin. The result was the most expensive per prisoner cost in the State and generated so many problems that the State had to close it down.

Several years ago Huron Valley facility outsourced food service to the Marriott Corporation at a cost of \$12 to \$16 per inmate per day. After bringing the food service back in house, the current costs are around \$4.30 per inmate today. This figure covers all food service including food, prisoner wages, operating expenditures, staff wages and benefits. The private system was abandoned not only because of its costs but the resulting increase in state security costs.

Allegan County Detention contracted with Canteen at \$6.75 per day several years ago.

Low priced proposals are often loss leaders which do not include security costs and subsequently costs rise due to the added costs needed to return to the more economic public service system.

Services and benefits of public employees often not included in contracted services are:

- training of prisoners for outside employment
- energy reduction
- accreditation
- security
- double duty by employees
- specialized skills in dealing with dangerous inmates
- low turnover rates
- nutritional concerns (including federal food requirements)
- decreased likelihood of litigation due to specialized nature of the services noted

Human Services

The Senate Appropriations Subcommittee on Human Services is currently advancing a recommendation to outsource all foster care and most juvenile justice services. With no authentication, proponents argue that the proposal would save the state \$40 million in the first year. A recent analysis by the Department of Human Services estimates that the proposal would actually cost the state over \$24 million dollars. Further the Department has documented additional costs to counties and loss of federal funds in the event the proposal is adopted.

Part of the reason for the disparity is the Senate Subcommittee's refusal to recognize the need for additional public supervision of private placement agencies. A private non-profit foster care agency's license was recently suspended when two children died after being placed in a facility under their control.

Current law requires private placement agencies be given preference in placing both abused and neglected children and children placed by the juvenile justice system. Nearly all juvenile justice placements involve children who have already failed in private placement. The rest are those that private agencies acknowledge they are incapable of handling.

Michigan AFSCME Council 25 urges that placements be made based on the needs of the children. Our public – private partnership should not choose placements based on the worker's employer.

Veteran's Homes

A proposal to privatized services at Grand Rapids Home for Veterans and the D.J. Jacobetti Home for Veterans was met with fierce opposition two years ago by staff, patients and veteran organizations fearing the loss of current high quality services. The proposal was rejected.

Schools

Recent outsourcing of custodial and bus services have met with great dissatisfaction from parents across the State. A majority of one school district's board narrowly escaped recall while one board member did not seek re-election and was replaced by a candidate opposing the privatization. The newly privatized "cleaning service" has a high turnover rate, is not available during the school day and provides fewer services to the district. *Costs for ancillary services are on the rise.*

About 10 years ago, Bloomfield Hills Schools outsourced the Administration offices and the International Academy – eliminating four AFSCME positions. After numerous

problems with several private companies, the School District asked AFSCME to reinstate those positions in the bargaining unit not as custodians but cleaners with less pay and benefits. The local at the time agreed to the proposal. Since that time the positions have remained AFSCME jobs and are now full custodians again with the same wages and benefits as all the other custodians in the units.

Michigan AFSCME Council 25 is compiling costs of privatization to school districts that have outsourced our jobs and will make more figures available in the near future.

Transportation

A boilerplate provision in the Transportation budget that was included by earlier legislatures *requires* outsourcing of certain contracts without regard to cost/benefit analyses. When a suggestion was made that the decision should be made on the basis of the most economical approach, one legislator insisted that “everybody knows” the private sector is cheaper. If you repeat something often enough, people start to believe it whether it is true or not.

Don't renew inept prison care

April 10, 2007

Michigan's four-year contract with Correctional Medical Services Inc. to provide prison health care ends May 1.

Given the Missouri-based company's miserable performance, the Department of Corrections should not renew it.

If necessary, the state should extend the CMS contract on a month-to-month basis, while finding other providers and ways to deliver better care.

As a private company, CMS has operated in near-secrecy while taking \$70 million a year from Michigan taxpayers to provide primary medical care in state prisons. The contract, assumed by CMS in 1998, has not been put out for bid since 1997.

A Free Press editorial page investigation last year found systemic problems with Michigan's prison health care system, including hundreds of cases of misdiagnosis, delayed or denied treatment, withheld pain medication, and inadequate accommodations for people with disabilities. The system is dysfunctional and sometimes deadly; CMS has had legal problems due to negligent and inadequate care in other states, too.

To replace CMS, the department ought to consider contracting with university medical schools or local hospitals. The department, and Gov. Jennifer Granholm herself, must shoulder much of the blame for not holding CMS accountable. A review of prison health care, ordered by Granholm, is underway and should show how the department can improve.

MDOC finally appears to be taking health care problems in its nearly 50 prisons seriously. It did not renew, as of April 1, the contract of health care administrator Richard Russell, who seemed more interested in protecting CMS than in correcting problems.

Retaining and rewarding a company that has acted with indifference and incompetence will only hinder needed changes to Michigan's prison health care system.

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The Real Cost of Privatization

PRIVATIZATION AND CONTRACTING OUT

Privatization and Contract out is the same thing. Privatization is a term used by the public sector when the intent is to turn over a government function to the private sector.

1. **Contracting Out Cost More Than It Saves**
 - Administrative cost that the State will continue to pay and often will increase due to the contract out of services.
 - State will continue to have training responsibilities.
 - Contractors often "low bid" to get the job.
 - Overall economic impact on the State and local communities by the loss of jobs paid at one level to jobs created at a lesser wage.
2. **Quality of Services Decline**
 - The private sector does not have a magic wand to reduce cost.
 - Contractors hire inexperienced, transient personnel at low wages to reduce cost.
 - Services are reduced in order to reduce cost
3. **Growing Evidence of Corruptions**
 - Payoffs, kickbacks, price-fixing, collusive bidding and charges for work never performed are common companions of contracting out.
 - The scandals are too numerous too mention and anyone dealing with this issue should be aware and conscious of them.
4. **Isolation of the Disadvantaged**

Contractors save money at the expense of the most vulnerable by not being accessible or available to them.
5. **Undermining the Democratic Character of the Public Sector**
 - Privatization leads to a loss of public control and a decline in citizen participation in government.
 - Public administration is essential to public services – it is part of our system of checks and balances.
 - The privatization of mental health services in Michigan has resulted in the increase of the prison population. This was done to help control the cost of mental health services in the State. Mental health costs may be down, but the Department of Corrections budget has increased.
 - Inmates failing to receive the proper medical care due to the contracting out of health care services in the Department of Corrections has the State in court. This contract with CMS (Correctional Medical Services) was also another cost savings done by the legislature to save money.

- The community impact, i.e., the increase of the homeless, mentally ill population and the impact this has on community safety, shelters, etc. There is also a huge impact on the prison population where mental health services are non-existent. This leads to a far more dangerous prison population, and parolees/probationers who are in the community. This costs more in terms of community safety and police/prison costs. This needs to be spelled out. The Virginia Tech incident is a good example of this. This is only waiting to happen in Michigan. There are schizophrenics out in the community who should be institutionalized, but we no longer have institutions.
- A privatization of FC/JJ will have similar long-term effects that will be felt when these kids are adults. They will be more damaged and less able to become productive members of society. This is a future liability, just like the impact of the privatization of mental health is now.

FOSTER CARE QUESTIONS & CONCERNS

QUESTIONS AND CONCERNS THAT MUST BE ADDRESSED

1. Why do you want to contract out this work?
2. Can the contractor renegotiate price and terms of the contract before it expires?
3. Does the contract indemnify the jurisdiction against liability and property damage caused by the contractor?
4. What is your plan B if the privatization of these services does not work?
5. How many private agencies will be needed to manage the number of cases in the system? Current law states that a worker can have no more than 25 cases.
6. In 2005, the annual POS administrative rate per child was \$6,745.20 (\$18.48 x 365 days). This translates to \$134,904 for a private agency foster care worker with a caseload of 20. This is in addition to the cost of payments to the foster care provider. It also requires a DHS employee to monitor these cases at a cost of \$16,000. This increases the total cost of POS care to \$150,904. The **total cost** for a DHS foster care worker is \$80,400.28. This actually costs the state \$21,708.08, with the federal government paying \$58,692.20. In other words, where is the savings when it is obvious that the direct cost to the State of Michigan is almost eight (8) times higher to have these cases supervised by a private agency.
7. Private agencies routinely decline placements they feel are too difficult. DHS is responsible for any child placed by the court for supervision. The number of children presented with significant behavioral issues and/or mental health problems is increasing. When a child acts out or disrupts a private placement, that child is returned to the DHS to find a new placement. What happens to these children if this system is totally privatized?
8. We continue to see private agencies that are non-compliant, fail to report new injuries and have large turnover in staff. Turning over the system to these agencies is NOT the answer.
9. An adoption bonus is still paid to private agencies in spite of studies that show this is not cost effective.
10. DHS currently provides training through the CWI to private agency workers, as well as providing access to DHS programs/procedures required by law and the courts. Who will provide this if the system is privatized and what will be the cost of new systems and training? Will this then be passed on to the taxpayers? How does this integrate with CPS and the "ready to roll out" SWSSCPS system? What happens to the thousands of current and past files currently in the care and custody of DHS? Who will provide historical testimony on current families in future cases?

OTTAWA COUNTY DHS FOSTER CARE COST

FOSTER CARE COST ANALYSIS

Cost comparison assumes the same rates paid to foster care parents/providers by DHS or Non-profit Foster Care Service Agencies. It also assumes a foster care caseload ration of 20 cases per worker.

Cost of Purchased Service

When foster care is purchased from a private agency, a daily administrative rate is paid to the Foster Care Purchase of Service (POS) Agency to defray the staff-associated cost to the Agency. The minimum administrative rate charged by Foster Care POS Agencies in Ottawa County is \$18.48 per case, per day.

Annual POS Administrative Rate Cost per child placed in foster Care ($\$18.48 \times 365$ days per year) equals **\$6,745.20**

Annual POS Administrative Rate Cost for a foster care worker's caseload ($\$6,745.20 \times 20$ children) equals **\$134,904**

NOTE: Children placed in foster care are assigned by the Family Court to the Department of Human Services (DHS) for supervision. If a child is subsequently assigned to a private agency by DHS, DHS is required to monitor that assignment to assure that Court orders are followed. Foster Care Monitoring Staff are provided to the local DHS office based upon a purchased caseload ratio of 95 to 1. The annual cost of a DHS foster care monitoring worker is \$80,400.28. This is a cost to the taxpayer and is split between the state (27% = \$21,708.08) and the Federal Government (73% = \$58,692.20). This adds a cost of approximately \$16,000 (20% of the cost of a DHS monitoring worker) to the over-all cost of purchased care for a caseload of 20. When this cost of the Foster Care Monitoring staff person is added to the annual purchased care cost for a caseload of 20 children, the total annual cost of purchased care is **\$150,904**.

Cost of DHS Direct Service

FY 2006 total cost for 1 Foster Care Worker at the SSS11 Level **\$80,400.28**

NOTE: Includes fringe benefits, travel, supplies, and ongoing connectivity for a computer.

Cost to the State (GFGP)	(27%)	\$21,708.08
Cost to the Federal Government	(73%)	\$58,692.20

COST ANALYSIS

Savings to the Taxpayer by providing DHS Direct Service (1 staff person/case load of 20)

\$150,904.00	Minimum Cost of Purchased Service
<u>\$80,400.28</u>	Cost of DHS Direct Service
\$70,503.72	Savings to the Taxpayer

NOTE: Includes the \$16,000 cost of a DHS purchased care monitoring worker.

Savings to the County by providing DHS Direct Service (1 staff person/case load of 20)

County Child Care Fund Costs for the Purchased Care Administrative Rate is 50% of cost of purchased care (50% of \$134,904) **\$67,452 savings to the County**

Savings to the State by providing DHS Direct Service (1 staff person/case load of 20)

State Costs for the Purchased Care Administrative Rate is 50% of cost of purchased care (50% of \$134,904 = \$67,452) plus the cost of purchased care monitoring worker (27% of \$16,000 = \$4,320)

Total Cost to the State for purchased care for a caseload of 20 **\$71,772**

\$71,772.00	Cost to the State for Purchased Care
<u>\$21,708.08</u>	Cost to the State for DHS Direct Service
\$50,063.92	Savings to the State

ADDITIONAL COST RECOGNITION

DHS occupancy cost for additional Direct Service Foster Care staff is not calculated into this cost analysis. Occupancy for additional Direct Service Foster Care staff would not be an issue in most counties because a DHS Office of adequate size (especially with all the early retirements) already exists to accommodate additional staff. It may be an added cost factor in some counties (such as Kent) where most Foster Care services are purchased from private providers.

Another cost not factored into this analysis is the cost of additional Supervisory and Administrative Support staff. When additional Direct Service Foster Care staff is added to a county's allocation, it **may slightly** increase the number of Supervisory and Administrative Support staff a county is allocated. This slight increase will be somewhat offset by fewer Foster Care Purchase of Service Monitoring staff. In most counties, the Supervisory and Administrative Support staffing impact will be insignificant.

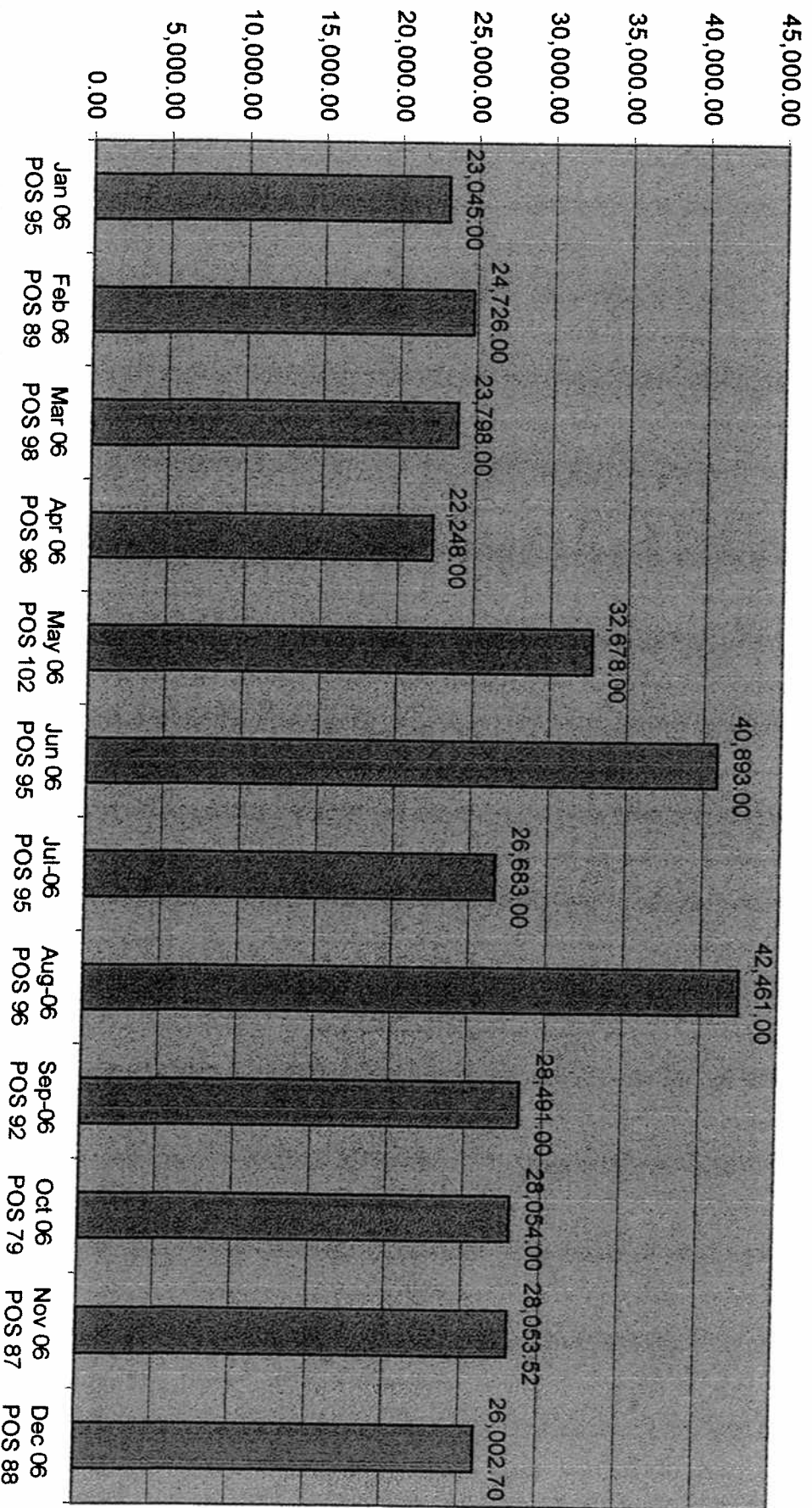
In many/most counties, additional Direct Service Foster Care staff could easily be accommodated without additional workspace costs. In Ottawa County, and in many counties, the additional direct service staff would have little or no impact on the number of Supervisors and Administrative Support allocated to the local office.

STATISTICS

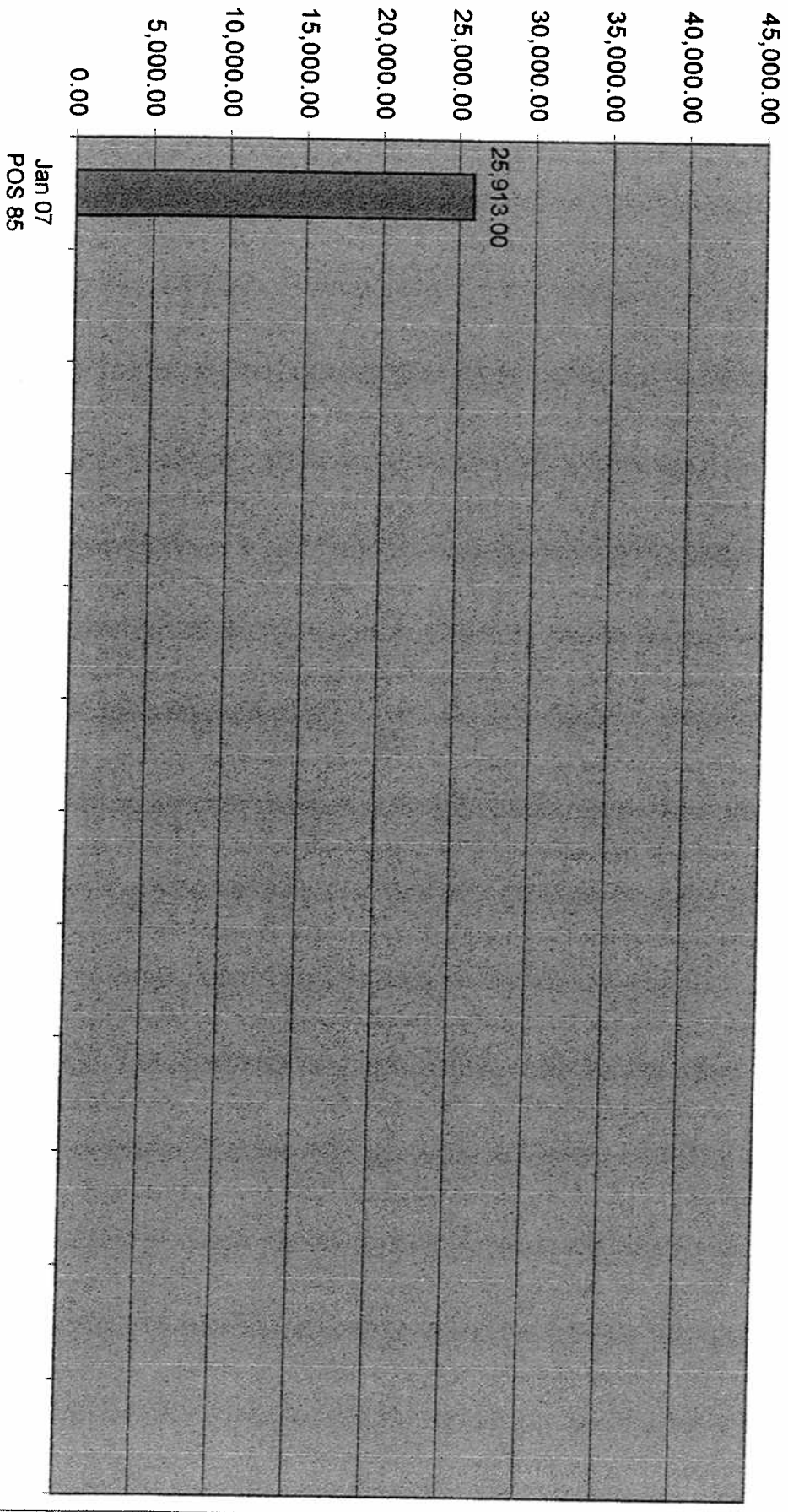
Total open CFC Cases (including POS Agencies – not including secondary CFC cases and OTI cases)	174
Total number of CFC – Direct DHS Cases	96
CFC – Direct DHS foster children placed in foster homes	43
CFC – Direct DHS foster children placed in relative care	35
CFC – Direct DHS foster children placed with parents	8
CFC – Direct DHS foster children placed in residential placement	5
CFC – Direct DHS foster children placed with Fictive Kin	5
CFC – Direct DHS foster children who are AWOL	1
Total Number of DHS CFC – Courtesy Secondary Cases (no credit given)	2
CFC – Secondary DHS foster children in foster home placement	0
CFC – Secondary DHS foster children in relative placement	2
CFC – Secondary DHS foster children with parents	0
CFC – Secondary DHS foster children with fictive kin	0
CFC – Secondary DHS foster children in residential placement	0
CFC – Secondary DHS foster children who are AWOL	0
CFC – Secondary DHS cases opened in February 2007	0
CFC – Secondary DHS cases closed in February 2007	0
Total number of CFC – Courtesy home studies assigned	0
Total number of POS CFC cases	78
POS foster children placed in foster homes	56
POS foster children placed in relative care	13
POS foster children placed with parents	5
POS foster children in Independent Living	2
POS foster children who are AWOL	0
CFC DHS Direct cases opened in February 2007	9
CFC POS cases opened in February 2007	1
Total number of CFC cases opened in February 2007	10
CFC DHS Direct cases closed in February 2007	5
CFC POS cases closed in February 2007	8
Total number of CFC cases closed in February 2007	13
DHS children placed for adoption in February 2007	4
POS children placed for adoption in February 2007	1
Total number of children placed for adoption in February 2007	5
DHS children in adoption supervision in February 2007	11
POS children in adoption supervision in February 2007	17
Total number of children in adoption supervision in February 2007	28

DHS adoption cases closed in February 2007	1
POS adoption cases closed in February 2007	0
Total number of adoption cases closed in February 2007	0
OTI cases opened in February 2007	0
OTI cases closed in February 2007	0
Total number of CFC OTI cases	3
OTI Home studies currently assigned (no credit given)	2
Total number of children open for services in February 2007 (Direct, POS, Secondary, OTI, Adoption and Home Studies)	208

Foster Care - Purchase of Service **2006 - Administrative Rate Expenditures**

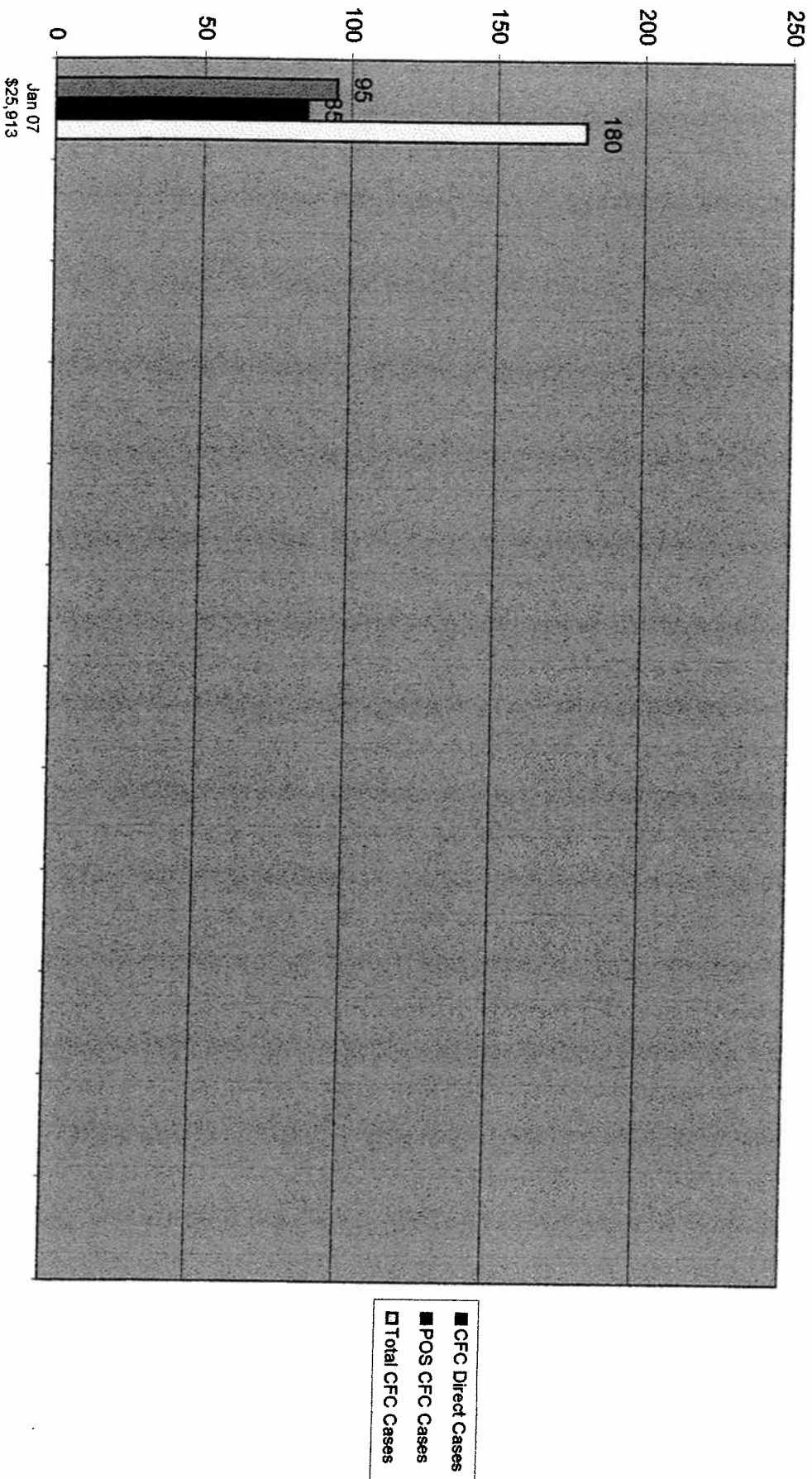


Foster Care - Purchase of Service 2007 - Administrative Rate Expenditures

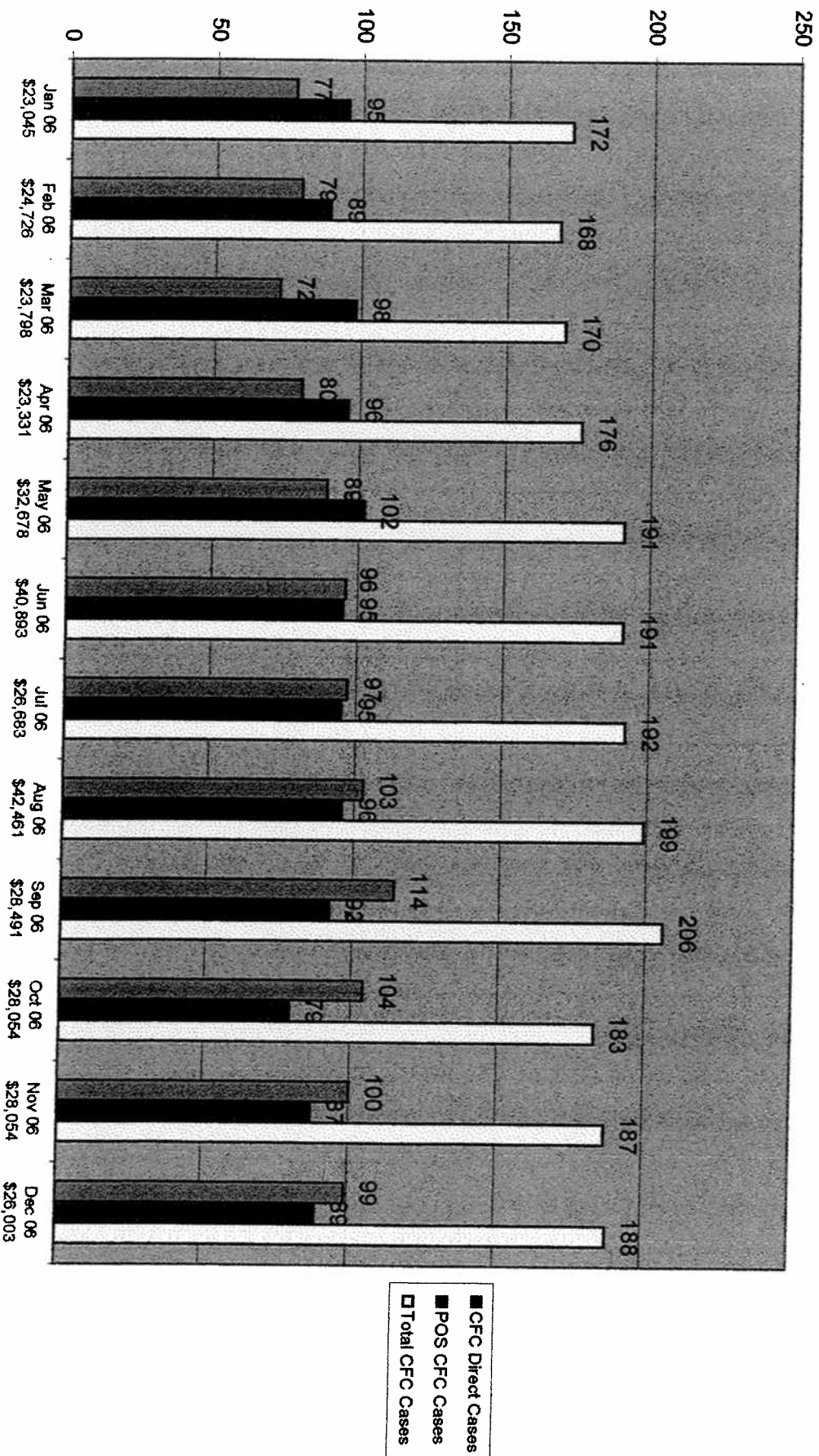


Foster Care - Purchase of Service 2007

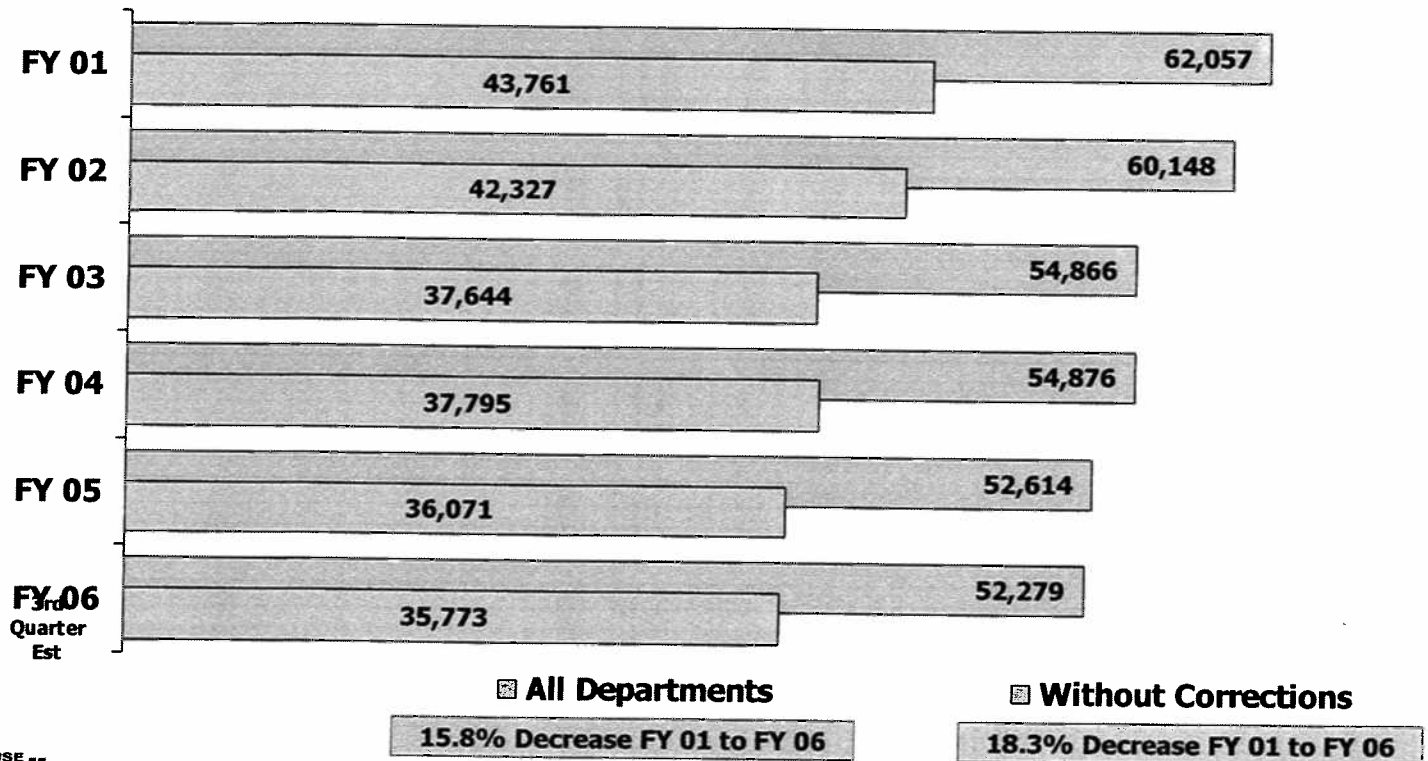
of Children Receiving Foster Care Services



Foster Care - Purchase of Service 2006 **# of Children Receiving Foster Care Services**



Average # of Classified State Employees



Number of Cases		22	25	6	81	24	0	23	181	
48	Direct	18	21	6	2	23	0	22	92	
	POS	2	2	0	79	1	0	0	84	
	OTI	2	0	0	0	0	0	1	3	
	Secondary/Courtesy	0	2	0	0	0	0	0	2	
									179	does not include
Home Study		0	0	0	1	0	0	0	1	
Cases opened		4	0	0	5	0	0	0	9	
Cases closed		0	0	1	0	0	0	1	2	
42	Temp. Wards	16	21	0	63	23	0	21	144	
41	Perm. Wards	0	0	0	0	0	0	0	0	
44	MCI State Ward	4	2	6	18	1	0	1	32	176 doesn't inc
10	Goal of Adoption	2	1	6	7	0	0	1	17	
6	Goal of Ind. Living	2	1	0	10	6	0	1	20	
12	Goal of PFFA	2	2	0	16	0	0	0	20	
1	Home with parents	2	6	0	7	3	0	0	18	
22	Home with Parents, out state	0	0	0	1	0	0	0	1	
5	Placed in Foster Home	10	8	1	61	14	0	8	102	
2	Placed with Relative	5	8	4	10	6	0	12	45	
23	Placed with Relative out state	0	0	1	0	0	0	0	1	
8	Placed with Fictive Kin	0	2	0	0	1	0	0	3	
13	Placed in Residential	4	0	0	0	0	0	1	5	
7	Independent Living	1	0	0	2	0	0	1	4	
20	AWOL	0	1	0	0	0	0	1	2	
									181	
Number of Individual Cases										
Number in Sibling Groups									0	
									0	
Number of Sibling Groups										
# groups separated									0	
									0	
African American										
Native American									0	
Hispanic									0	
Asian									0	
Caucasian									0	
									0	

Number of cases		18	22	19	75	20	0	24	178	
	Direct	14	18	19	2	19	0	23	95	
	POS	2	2	0	73	1	0	0	78	
48	OTI	2	0	0	0	0	0	1	3	
	Secondary/Courtesy	0	2	0	0	0	0	0	2	
									176	
	Home Study	0	0	0	2	0	0	0	2	
	Cases opened	4	2	0	1	3	0	0	10	
	Cases closed	0	1	4	8	0	0	0	13	
42	Temp. Wards	13	18	12	57	19	0	22	141	
41	Perm. Wards	0	0	0	0	0	0	0	0	
44	MCI State Ward	3	2	7	18	1	0	1	32	173
10	Goal of Adoption	2	1	6	8	0	0	1	18	
6	Goal of Ind. Living	2	1	3	9	1	0	1	17	
12	Goal of PFFA	2	2	2	16	0	0	0	22	
1	Home with parents	0	5	1	5	2	0	0	13	
22	Home with Parents, out state	0	0	0	1	0	0	0	1	
5	Placed in Foster Home	7	5	7	54	14	0	8	95	
2	Placed with Relative	4	6	8	13	3	0	13	47	
23	Placed with Relative out state	0	0	1	0	0	0	0	1	
8	Placed with Fictive Kin	0	4	0	0	1	0	0	5	
10	Placed in Residential	2	0	2	0	0	0	1	5	
7	Independent Living	1	0	0	2	0	0	1	4	
20	AWOL	0	0	0	0	0	0	1	1	
									172	
	Number of Individual Cases	6	13	9	26	8	0	16	78	
	Number in Sibling Groups	12	9	10	49	12	0	8	100	
									178	
	Number of Sibling Groups	5	2	4	18	4	0	5	38	
	# groups separated	1	2	3	8	2	0	1	17	
	African American	0	0	2	12	4	0	4	22	
	Native American	2	0	0	5	7	0	0	14	
	Hispanic	2	11	3	5	2	0	3	26	
	Asian	0	0	0	0	0	0	0	0	
	Caucasian	14	9	14	53	8	0	17	115	177

**Table 1. Child Care Fund: Children
October 2005 - September 2006**

Description	October	November	December	January	February	March	April	May	June	July	August	September	Average 1/
DHS - Administered County Child Care Fund 2/													
Family foster care	3,452	2,726	2,821	3,445	5,470	2,575	3,374	4,279	2,974	3,574	3,781	2,598	3,422
Foster care: DHS supervised	2,818	2,241	2,258	2,779	2,563	2,044	2,757	3,584	2,353	2,953	3,192	2,092	2,636
Foster care: private agency	607	629	602	674	638	657	734	791	754	742	746	676	688
Non-scheduled	2,211	1,612	1,656	2,105	1,925	1,387	2,023	2,793	1,599	2,211	2,446	1,416	1,949
Institutional care	535	384	458	550	2,416	427	507	586	505	540	469	387	647
Foster care: DHS operated facilities	46	28	22	15	1,925	22	19	25	28	16	23	23	183
Foster care: another county's institution 3/	0	0	0	0	0	0	0	0	0	0	1	0	0
Foster care: private institutions	489	356	436	535	491	405	488	561	477	524	445	364	464
Non-scheduled													
In-home care													
Independent living													
Foster care	99	101	105	116	491	104	110	109	116	81	120	119	139
Non-scheduled	99	101	105	116	491	104	110	109	116	81	120	119	139
Court-Administered County Child Care Fund 2/													
Family foster care	4,178	4,639	4,472	4,630	4,954	5,125	4,869	4,835	4,960	4,582	4,593	5,731	4,797
Foster care: Court supervised	404	576	563	562	575	627	620	631	663	607	590	660	590
Foster care: private agency	249	282	268	267	286	322	302	301	301	289	293	302	289
Non-scheduled	155	294	295	295	289	305	318	330	362	318	297	358	301
Institutional care	3,769	4,058	3,900	4,066	4,376	4,494	4,242	4,200	4,293	3,971	3,997	5,069	4,203
Foster care: Court operated facilities	2,528	2,426	2,227	2,304	2,360	2,515	2,402	2,457	2,469	2,157	2,253	2,110	2,351
Foster care: another county's institution 3/	936	988	919	955	1,008	1,095	1,105	1,092	1,085	1,055	1,067	2,037	1,112
Foster care: private institutions	305	644	754	807	1,008	884	735	651	739	759	677	922	740
Non-scheduled													
In-home care													
Independent living													
Foster care	5	5	9	2	3	4	7	4	4	4	6	2	5
Non-scheduled	5	5	9	2	3	4	7	4	4	4	6	2	5
Appeal period foster care													

1/ Excludes children receiving non-scheduled payments

2/ Excludes children for In-Home Care Expenditures

3/ Includes Court and DHS

STATE OF MICHIGAN
ACTIVE CLASSIFIED EMPLOYEES BY EMPLOYEE STATUS STATEWIDE
WITH DEPARTMENT AND PROCESS LEVEL DETAIL

Pay Period Number and Pay End Date 01 Dec 30, 2006

DEPARTMENT / PROCESS LEVEL		FULL TIME	PART TIME	PERMANENT INTERMITTENT	LIMITED TERM	SEASONAL	NON CAREER	SUB-TOTAL EMPLOYEES	JOB SHARE ADJUSTMENT	TOTAL EMPLOYEES
MANAGEMENT & BUDGET		916.0	12.0	4.0	45.0	0.0	44.0	1,021.0	7.0	1,014.0
D.J. JACOBETTI HOME FOR VETERA	5103	143.0	5.0	2.0	0.0	6.0	5.0	161.0	1.0	160.0
GRAND RAPIDS HOME FOR VETERANS	5102	456.0	1.0	11.0	0.0	15.0	29.0	512.0	0.0	512.0
MIL AFFR CENTRAL OFFICE	5101	236.0	0.0	10.0	12.0	6.0	5.0	269.0	0.0	269.0
MILITARY AFFAIRS		835.0	6.0	23.0	12.0	27.0	39.0	942.0	1.0	941.0
DEPARTMENT OF NATURAL RESOURCE	7501	1,361.0	7.0	60.0	17.0	69.0	97.0	1,611.0	1.5	1,609.5
NATURAL RESOURCES		1,361.0	7.0	60.0	17.0	69.0	97.0	1,611.0	1.5	1,609.5
DEPARTMENT OF STATE	2301	1,314.0	0.0	303.0	29.0	0.0	135.0	1,781.0	0.0	1,781.0
STATE		1,314.0	0.0	303.0	29.0	0.0	135.0	1,781.0	0.0	1,781.0
STATE POLICE	5501	2,603.0	40.0	3.0	36.0	0.0	17.0	2,699.0	2.0	2,697.0
STATE POLICE		2,603.0	40.0	3.0	36.0	0.0	17.0	2,699.0	2.0	2,697.0
STRATEGIC FUND	0740	150.0	3.0	14.0	9.0	0.0	56.0	232.0	1.0	231.0
STRATEGIC FUND		150.0	3.0	14.0	9.0	0.0	56.0	232.0	1.0	231.0
BRIDGE AUTHORITIES-INTERNATION	5903	32.0	0.0	0.0	5.0	0.0	4.0	41.0	0.0	41.0
BRIDGE AUTHORITIES-MACKINAC	5902	50.0	0.0	27.0	6.0	0.0	6.0	89.0	0.0	89.0
TRANSPORTATION CENTRAL OFFICE	5901	2,658.0	31.0	15.0	67.0	12.0	128.0	2,911.0	7.0	2,904.0
TRANSPORTATION		2,740.0	31.0	42.0	78.0	12.0	138.0	3,041.0	7.0	3,034.0
BUREAU OF STATE LOTTERY	2795	167.0	0.0	0.0	1.0	0.0	6.0	174.0	0.0	174.0
GAMING CONTROL	2707	90.0	1.0	1.0	6.0	0.0	11.0	109.0	0.5	108.5
TREASURY CENTRAL PAYROLL	2701	1,274.0	5.0	13.0	13.0	0.0	32.0	1,337.0	0.0	1,337.0
TREASURY		1,531.0	6.0	14.0	20.0	0.0	49.0	1,620.0	0.5	1,619.5
STATEWIDE TOTAL		50,119.0	244.0	615.0	1,157.0	248.0	1,058.0	53,441.0	47.5	53,393.5

Note: This report reflects classified employees who are full-time, part-time, permanent intermittent, limited term, seasonal, or non-career in primary positions only. Job share positions are those occupied by two or more individuals scheduled to share a job by performing the duties which would normally be assigned to a single employee. Individuals sharing jobs can be part time, permanent intermittent, limited term, seasonal, or non-career. For this report, the actual number of employees who job share are divided in half.

MIDB Civil Service HWF04
 Report Sequence: HRS Dept Cd Desc, Process Level Cd Desc
 Universe: HR HUMAN RESOURCES

OUTSTATE TOTALS

	ES Total	CFS Total	1st Line Total	2nd/PT Total	Other Total	Total w/o MIG	Total Staff
Adjusted Allocation:	1575	1296	504	134	444	5600	5647.5
Onboard:	1417	1253	494	128	377	5437	5452
LTA:	37.5	14	7	1	48.5	125	125
LOA still on Payroll:	18	19	7	2	0	64	64
LOA off Payroll:	28	25	3	1	0	88	88
Pt wrkd/spec assign:	13	8.5	0	0	0.5	23.5	23.5
Over/Under:	-158	-43	-10	-6	-67	-163	-195.5
# not avail for work:	-217	-95.5	-20	-9	-67.5	-338.5	-371
% not avail for work:	-13.8%	-7.4%	-4.0%	-6.7%	-15.2%	-6.0%	-6.6%
# avail for work:	1358	1200.5	484	125	376.5	5261.5	5276.5
% avail for work:	86.2%	92.6%	96.0%	93.3%	84.8%	94.0%	93.4%

STATEWIDE TOTALS

	ES Total	CFS Total	1st Line Total	2nd/PT Total	Other Total	Total w/o MIG	Total Staff
Adjusted Allocation:	2155	1741	700	185	457	7891	7938.5
Onboard:	1947	1694	686	187	441	7664	7679
LTA:	71.5	14	16	6	51.5	184	184
LOA still on Payroll:	34	31	12	2	1	108	108
LOA off Payroll:	42	32	5	1	0	121	121
Pt wrkd/spec assign:	33	13	0	0	0.5	51.5	51.5
Over/Under:	-208	-47	-14	2	-16	-227	-259.5
# not avail for work:	-317	-123	-31	-1	-17.5	-507.5	-540
% not avail for work:	-14.7%	-7.1%	-4.4%	-0.5%	-3.8%	-6.4%	-6.8%
# avail for work:	1838	1618	669	184	439.5	7383.5	7398.5
% avail for work:	85.3%	92.9%	95.6%	99.5%	96.2%	93.6%	93.2%

Estimated "New" Costs - Summary
Michigan State Classified Service
Fiscal Year 2008
(10/01/2007 - 9/30/2008)

	A-02 MSEA Sal. & Reg.	A-31 MSEA Labor & Truck	C-12 MOO Security	E-42 31-M Human Srv. Support	H-21 MPE3 Scientific & Engineering	L-32 UTEA Technical	T-01 MSPTA State Police Enlisted	U-11 AFSCME Institutional	W-22 UAW Human Srv.	W-41 UAW Admin. Supt.	MSC's & HERE's	TOTAL ALL UNITS
¹ Number of Employees - 10/7/06	1,451	2,559	8,801	811	2,277	1,039	1,558	2,587	9,132	7,098	15,032	52,259
¹ Avg. Hourly Salary - 10/7/06	\$ 22.30	\$ 20.65	\$ 22.02	\$ 20.83	\$ 29.04	\$ 21.61	\$ 28.02	\$ 18.58	\$ 24.70	\$ 19.25	\$ 30.87	\$ 24.84
¹ Avg. Annual Salary - 10/7/06	\$ 46,562	\$ 43,117	\$ 45,978	\$ 43,483	\$ 60,830	\$ 45,122	\$ 58,759	\$ 38,795	\$ 51,574	\$ 40,184	\$ 84,030	\$ 51,876
Base Pay Adjustment for FY 2008	\$ 2,081,181	\$ 3,390,848	\$ 12,484,847	\$ 1,068,545	\$ 4,253,018	\$ 1,444,135	\$ 2,815,125	\$ 3,081,575	\$ 14,507,763	\$ 8,768,289	\$ 23,882,420	\$ 53,615,748
2% Base Wage Increase 10/01/2007												
2% Base Wage Increase 4/20/08												
² FICA/Ret. Blended Rates - 10/7/06	20.68%	21.49%	22.84%	19.10%	18.97%	20.62%	20.56%	20.47%	20.75%	21.43%	23.05%	22.05%
³ FICA/Ret. on Base Wage Increase	\$ 434,551	\$ 728,093	\$ 2,040,971	\$ 207,530	\$ 846,368	\$ 297,781	\$ 804,000	\$ 632,845	\$ 3,010,361	\$ 1,883,330	\$ 6,847,072	\$ 18,542,462
⁴ Life Insurance Increase	\$ 22,728	\$ 37,028	\$ 156,116	\$ 11,665	\$ 46,443	\$ 15,770	\$ 30,741	\$ 33,700	\$ 168,425	\$ 95,008	\$ 324,241	\$ 813,064
⁵ Long Term Disability Increase	\$ 19,648	\$ 32,010	\$ 117,668	\$ 10,257	\$ 40,148	\$ 13,638	\$ 26,575	\$ 28,184	\$ 130,659	\$ 82,861	\$ 200,296	\$ 709,333
⁶ Overtime Increase	\$ 57,162	\$ 184,078	\$ 2,014,782	\$ 148,748	\$ 85,549	\$ 151,468	\$ 307,399	\$ 393,110	\$ 302,245	\$ 80,398	\$ 469,277	\$ 4,261,032
⁷ Shift Differential Increase	\$ 11,652	\$ 10,059	\$ 203,413	\$ 26	\$ 204	\$ 1,591	\$ 52,886	\$ 58,855	\$ 19,107	\$ 8,207	\$ 73,236	\$ 528,306
FICA/RET on OT and Shift Dtl. Inc.	\$ 22,728	\$ 44,043	\$ 527,184	\$ 28,033	\$ 12,125	\$ 31,561	\$ 102,826	\$ 92,517	\$ 86,681	\$ 20,700	\$ 125,103	\$ 1,078,510
FY 2008 Additional ATB Base Costs	\$ 2,809,875	\$ 4,437,588	\$ 18,401,002	\$ 1,491,003	\$ 5,291,815	\$ 1,855,838	\$ 4,136,751	\$ 4,331,047	\$ 16,201,535	\$ 10,867,845	\$ 37,811,645	\$ 109,719,624
NET TOTAL												
FY 2008 Additional ATB Base Costs	\$ 109,719,624											
FY 2008 Additional Specials	\$ 194,214											
FY 2008 Additional Total Costs	\$ 109,913,838											

¹ MIDB, VTM, HNM, EMPLOYEES, PP 21, Employment Status Code = AA, AB, AC, AD, AE, AP

² T01 base wage increase differs slightly from other bargaining units. Calculation used actual average T01 increase.

³ FY 2007 Rates from OFM, Ruth Mealy 9/23/2006 memo; Unit rates are weighted by enrollment and reduced by post-retirement health insurance benefits; Assumes State maximum contribution for retirement code 40.

⁴ Life Insurance Increase on Incremental cost increase. Rate as of FY 2007, Annual \$5.48 per \$1000 of extra coverage.

⁵ Rates as of FY 2007 - (Increase/100)*.944.

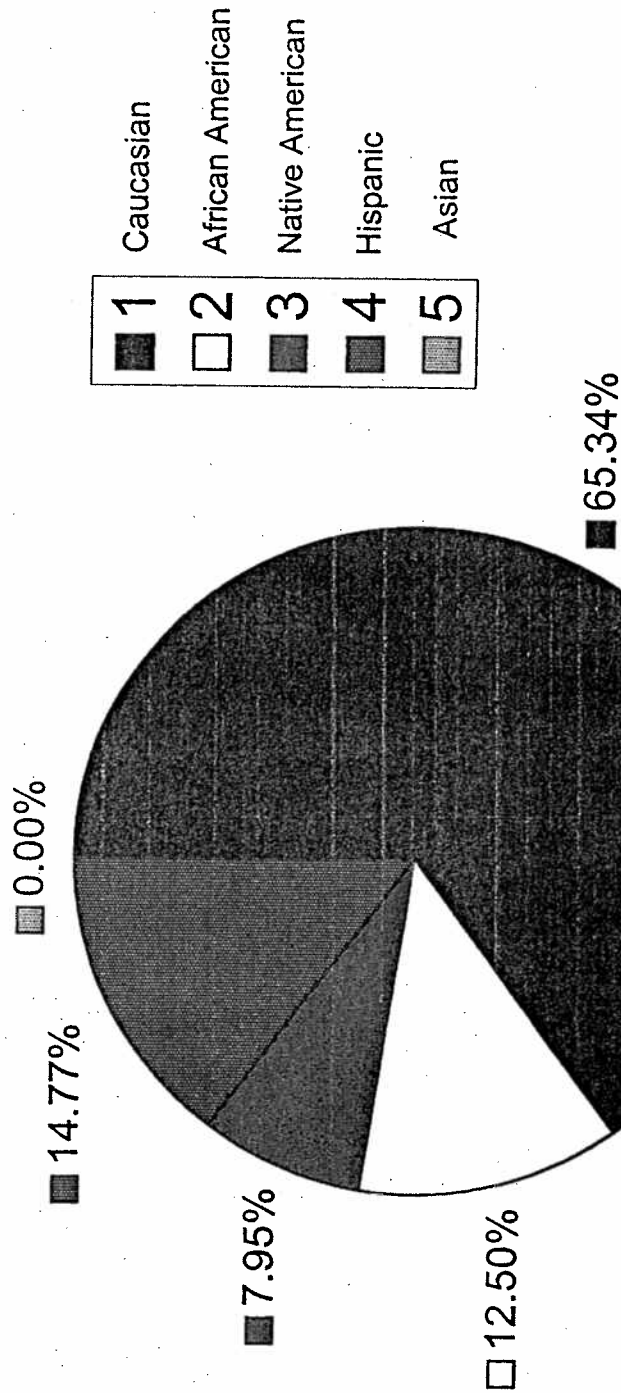
⁶ Based on all FY 2008 OT hours

⁷ Based on FY 2008 hours

February 2007

Race of Children In Foster Care

176 Children Total



County Child Care Funds

The County Child Care Fund (CCF) is a state cost sharing program for reimbursement to local counties for the cost of providing eligible services. Native American tribes are also able to access these funds. The county incurs the expenses and then bills the state for 50% reimbursement of eligible expenditures. Reimbursement is limited to expenditures for services to juvenile justice and abused/neglected youth. The CCF is unique compared with the other state-administered fund sources for youth because the county (court or FIA) controls services and expenditures. The county decides who controls the funds. Central office becomes involved only in assuring that reimbursement is made for eligible expenditures according to established laws, rules and policies. These established parameters have a long history and are generally accepted by counties and courts as reasonable and non-intrusive. An annual plan and budget is submitted by each county to the FIA. A portion of these funds are used to fund out-of-home placements for youth who are not Title IV-E eligible. Other services that may be provided are early intervention services, services to prevent placements or services to expedite an early return home from placement.

KITCHEN SINK METHOD OF COSTING

THE KITCHEN SINK METHOD OF COSTING

When the Civil Service Commission started using the cost formula, it was created to basically insure that cost savings would be proven in favor of contracting. The formula that is used compares classified (State employees) cost against what the department wants to pay. It is not an apple-to-apple or apple-to-orange cost. It is State employee's cost versus a cost set by the department or one that a bidder claims they can achieve.

The rate is low which helps in showing cost savings, but will ultimately result in the vendor asking for more money at a later date. The costing using the wage, benefits, rent, unemployment insurance cost, retirement, FTEs, classification and level of the department's choice, indirect cost and equipment is compared to the cost of the contract amount plus contract monitoring (Employer's Contract Monitors) cost. The costing does not require that the vendor has the same amount of personnel, equipment, rent, etc. It is, therefore, not a true cost comparison based on equal situation.

The contracts are sometimes sent out for bids, but not always, and can be awarded based on the amount that the department decides to spend for the services. Civil Service provides an example (see below) of the costing procedures which may help to explain how the costing is done. A more detailed explanation of the Cost Analysis Form can be found in the Cost Savings Guideline.

Example: A State agency is evaluating contract versus classified employee operations of an information center which receives requests for information from the general public, and mails out State publications in response. The State publications are printed at State expense and would be provided free of charge to the contractor for mailing. The contractor would, however, provide his/her own personnel, facility, equipment, postage, etc.

The cost to the State for providing the publications to be mailed should be the same regardless of whether a State or contract employee is performing the mailing. Since the publications are provided to the contractor at no cost, the contractor should not include the cost of these publications in the projected cost of having classified State employees perform the work. The cost of publications is a common cost that will not vary across alternatives. The Agency would, however, need to identify that "the cost of State-furnished publications to the information center is treated as a common cost, and is excluded from the provided Agency analysis." The cost of personnel, facilities, equipment, postage, etc., for each alternative would, in this instance, remain pertinent, and would be included for the analysis.

The Guidelines do imply that the Department determines the same factors for the contractor as the classified workforce but it is not enforced by Civil Service.

Total Contract Price (Line 8)

This is the total disbursement amount that the agency wishes to have authorized for payment of contractual services. The basis for the proposed amount should be documented; i.e., how were contract labor rates or unit costs derived? Every effort should be made to incorporate all relevant costs, to include facilities, equipment, materials, subcontracts, etc., i.e., a comparable set of costs to those considered under in-house performance.

opeiu494afcio/sd
April 23, 2007

RELEVANT NEWSPAPER ARTICLES

COPY OF E-MAIL TO SENATOR KAHN

Dear Senator Kahn,

This is in regard to SB 232 and the privatization of foster care. SB 232 would result in additional costs to counties while not providing the necessary oversight and accountability for vulnerable children.

I've obtained the following information from a DHS source on how SB 232 would negatively affect counties:

For FY2006, the various County Child Care Funds funded 213,385 days of family foster care which DHS supervised. Consequently, if the Private's prevail, take over all family foster care and get their rate increased to \$40 per day (NOTE: DHS does not add any "administrative rate"), SB 232 would compel increased expenditures of \$8,535,400. Counties would be responsible for 50%, so the net transfer to County governments for just this portion would be \$4,267,700.

In addition, the private agencies also provided an additional 696,430 days of CCF funded foster care in FY 06. If their facts were correct, that their current average administrative rate is \$24 and it moves to the proposed \$40, that is another cost increase of \$11,142,880 with a county share of \$5,571,440.

The total net shift to County governments would have been \$9,839,140 last year, with a corresponding cost to the State as well. For further detail you can view the Child Care Fund reports at:

http://www.michigan.gov/documents/dhs/DHS-CCFAnn2-FY06_189657_7.pdf

Notwithstanding the additional costs to Saginaw, I am concerned in general that Privatization will erode the local DHS ability to provide oversight of children in foster care. Saginaw has historically used little private foster care for a number of reasons.

First, private foster care agencies have been reluctant to place hard to serve children. Typically, they will not accept placement of children that present with behavioral issues or serious emotional problems. We are increasingly seeing more children come into care with serious emotional and mental health issues. With the reduction of outpatient mental health services in Saginaw, I expect that this trend will continue, if not get worse.

Secondly, I am concerned about the belief that a contract is sufficient to secure quality oversight of abused & neglected children placed in foster care. If a contract agency is in non-compliance or simply wishes to not renew its contract (this has happened in other service areas) what is the fate of these children? Saginaw currently retains roughly 130 DHS licensed foster homes and this is often times not enough to meet the

need. This system would be dismantled should foster care be turned over to private agencies. Large areas such as Wayne County may be able to handle this, but it would be a disaster for Saginaw.

Thirdly, DHS Children's Protective Services (CPS) staff & Children's Foster Care (CFC) staff work closely together and this leads to better initial placements for children entering care as well as discussions on how to avoid placing children altogether.

Fourth, as indicated above in the discussion regarding the "administrative rate", privatization of foster care adds another level of unnecessary administration.

Finally, Saginaw DHS already has a staff of experienced foster care staff committed to serving Saginaw's children. The lawsuit that Children's Rights filed against the State of Michigan clearly articulates that the fact that these women and men have been operating under high caseloads that greatly exceed any national standard. DHS staff have continued to demonstrate excellence in challenging times despite the support they need and deserve.

I strongly urge you to vote against the privatization of foster care. Please let me know if you have any questions.

Randy R. Barst, Director
Saginaw County DHS
411 E. Genesee St.
Saginaw, MI 48605
(989) 758-1833

- [Home](#)
- [About FrecklesCassie](#)
- [Silly \(big\) Pix](#)

Political Teen Tidbits

By Freckles Cassie, a liberal blog written by a teen with input from teens

Wed 15 Nov 2006

Privatizing FOSTER CARE??? Whose bright idea was this anyway?

Posted by frecklescassie under Blogroll , Political , Politics , Commentary , News

Find Local Senior Housing
Free assistance finding the right Senior
Living Community

Foster Care Family
Talk To Other Moms Who Have Adopted
Share Advice, Photos and More!

[Ads by Goooooogle](#)

You want KBR or Halliburton in charge of foster kids? AGH!!!! YIKES!!!! Did you even know this COULD be privatized? What is WRONG with this state???

—Freckles

Senator questions privatization of child protective services

Year-old state overhaul of system plagued with problems.

By [Corrie MacLaggan](#)
AMERICAN-STATESMAN STAFF
Wednesday, November 15, 2006

A year into a massive overhaul of Texas' Child Protective Services, the death of a North Texas boy in foster care has a key state lawmaker and some children's advocates questioning a state plan to privatize the foster care system.

Sixteen-month-old Christian Nieto died of a head injury over Labor Day weekend while in foster care in Corsicana. His foster mother has been charged with capital murder, and the state is revoking the license of the private agency that arranged his foster care, Harker Heights-based Mesa Family Services.

At a meeting Tuesday of the Senate Health and Human Services Committee, Chairwoman Jane Nelson, R-Lewisville, said that when she bought into the idea of privatizing the foster care system, she believed that there would be protections to prevent this sort of tragedy.

"We're not privatizing the printing of telephone books here," she said. "We're talking about children, and we can't make mistakes."

Mesa Family Services, which also had a child die in foster care a year before Nieto's death, has about 350 children placed in foster homes in Texas, including 58 in Bell County, eight in Williamson County and two in Hays County.

With the license revoked, most of the children will stay in their foster homes, although the foster parents will report to a different placement agency and will undergo additional training, said Patrick Crimmins, a spokesman for the agency that oversees the CPS.

The privatization plan, which followed several high-profile child deaths, calls for the outsourcing of the foster care system to private agencies by 2011. Nearly 80 percent of the state's 20,000 children in foster care are already in homes overseen by private groups. The plan will also outsource case management, which involves monitoring a child's progress. That is now done by state workers.

State officials last month postponed awarding a contract for the first piece of the privatization effort, which would have outsourced services in the San Antonio area. They won't say exactly why it was delayed. But the slowdown — and Nelson's worries — seem to make the future of the privatization effort uncertain.

Although several agencies that place children in foster care urged the state Tuesday to move forward with the privatization, Barbara J. Elias-Perciful of Texas Loves Children, a nonprofit group dedicated to preventing child abuse, said that without firsthand knowledge of a child's circumstances, there is no way for the state to hold private providers accountable.

Outsourcing case management "is a recipe for disaster and will lead to more child deaths," said Elias-Perciful, an attorney specializing in child abuse law.

But Jack Downey, president of the Children's Shelter in San Antonio, said children in Florida were safer after that state's privatization. Further delay in Texas would "truly, truly hamper everyone's efforts to make privatization successful," he said.

Outsourcing the foster care system comes in the midst of a major privatization of another health and human services task: enrollment of Texans in public assistance such as food stamps and subsidized health care.

The state hired a group of companies led by Accenture LLP to run call centers to sign Texans up for benefits. After the project hit training and technical problems, officials indefinitely postponed statewide rollout of the system.

"Contract management may be the one thing our state does worse than managing foster care," Lee Spiller, executive director of the Citizens Commission on Human Rights of Texas, told Nelson, the only senator to attend the committee meeting. Nelson authored 2005 legislation that reforms Child Protective Services and Adult Protective Services.

Carey Cockerell, commissioner of the Department of Family and Protective Services, told Nelson that CPS has begun random inspections of foster homes, increased the number of children placed with relatives and decreased the average daily caseloads for investigative caseworkers.

But although the state has hired more than 2,200 CPS workers since September 2005, high turnover continues to plague the agency. About 30 percent of Child Protective Services workers left in the 2006 budget year, Cockerell said.

One of the highest rates of turnover is among special investigators, a new group of caseworkers with law enforcement backgrounds who work on complex cases.

Cockerell stressed that the benefits of hiring caseworkers and putting them through training will take time.

"We're just at the beginning of that process," he said.

cmaclaggan@statesman.com; 445-3548

Find this article at:

<http://www.statesman.com/news/content/news/stories/local/11/15/15cps.html>

5 Responses to "Privatizing FOSTER CARE??? Whose bright idea was this anyway?"

1. Lisa Says:

November 16th, 2006 at 5:36 pm

Many times, privatization is the first suggestion made by state and local officials as a response to foster care fatalities.

Hard to say if this is a well-thought out decision, or just trying to save money.

Sadly, accountability does not always improve by privatizing. Communication can easily break down between Children Services and the private fostering agencies.

Lisa

<http://sunshinegirlonrainyday.blogspot.com/>

2. Nora Says:

December 9th, 2006 at 8:28 pm

texas was privatizing because of the high frequency of child deaths in san antonio and other parts of the state ...foster care regulations need to be revisited and foster families need to abide my set minimum standard requirements... agencies are to lax when it comes to "citing" families when there is a need for fear of "looking bad" as a whole. educating families

interested in foster parents also needs to be revamped so they will be able to better care for children in need or at least be more familiar with the type of children they will be servicing. State officials need to come up with a better incentive plan to attract more appropriate families instead of those who see it as an easy way to make a buck. just my thoughts....

3. *Carissa Says:*

December 14th, 2006 at 11:04 pm

The foster care system is complicated and no matter how well the private agency supervises the home and the children placed in the care of the private agency, you cannot be with them 24 hours a day. We are human and unfortunately deaths and tragic accidents happen in the best of home. Let's not pass blame, but rather all try to pitch in and see what we can do to help. You cannot really add your opinion until you walk in the shoes of an agency and foster parent for a day...

4. *urargg Says:*

December 30th, 2006 at 9:39 pm

<http://nissan12.blogspot.com/2006/12/>

5. *cjpwtr Says:*

January 4th, 2007 at 2:28 pm

<http://20six.co.uk/ritas/>

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Name (required)

Mail (will not be published) (required)

Website

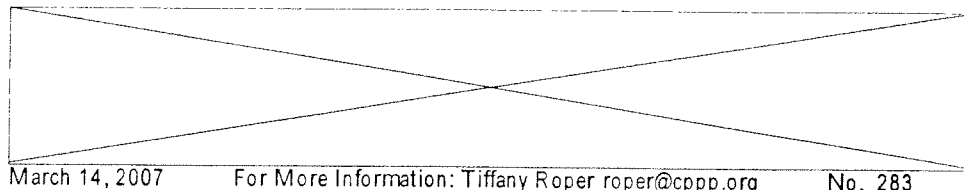
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»



March 14, 2007

For More Information: Tiffany Roper roper@cphp.org

No. 283

STRENGTHENING CHILD PROTECTIVE SERVICES

Comparing SB 758, HB 2140, and HB 3916 with HB 1361

In 2005, the 79th Texas Legislature considered whether to privatize any or all of the child protective responsibilities of the Texas Department of Family and Protective Services (DFPS). At that time, a push to privatize resulted in a mandate to completely privatize case management and substitute care services throughout the state by 2011, with the first region to be privatized by the end of 2007. After contract difficulties, however, implementation of this mandate was put on hold. This legislative session, privatization is under reconsideration. This policy page examines privatization and whether it is the best approach to improving Texas' child welfare system.

What Does Privatization Mean?

In Texas, child welfare privatization means turning over both day-to-day and long-term decision-making regarding children and their families, traditionally a governmental function, to private entities. In other words, a private entity would determine where a child would live after the child enters the child welfare system, both in the present and in the future. A private entity would speak for the state on whether 1) a child should be placed with relative; 2) a child should be returned to a parent; or 3) the parents' parental rights should be terminated. Outsourcing in this context means turning over decisionmaking about the lives of children and parents to private companies.

Don't Private Companies Already do Eighty Percent of the Cases?

No. This myth has caused a great deal of confusion. Right now, Child Protective Services does 100 percent of the decisionmaking, which goes under the name "case management." Private companies

provide foster care for about eighty percent of the children, which goes under the name "substitute care services." These are related but very different functions.

What is the Difference Between Substitute Care Services and Case Management?

Both case management and substitute care services involve responsibilities that arise after a family is investigated due to a report of child abuse and neglect and a child enters out-of-home care and the legal custody of DFPS.

Case management services, as defined in Family Code Section 264.106 (a) (1), means the provision of case management services to a child for whom the department has been appointed temporary or permanent managing conservator, including caseworker-child visits, the convening of family group conferences, the development and revision of the case plan, the coordination and monitoring of services needed by the child and family, and the assumption of court-related duties, including preparing court reports, attending judicial hearings, and permanency hearings, and

ensuring that the child is progressing toward permanency within state and federal mandates.

HB 1361 authorizes DFPS to contract for the provision of all necessary case management services, with the exception of court-related duties. DFPS files a lawsuit every time it requests legal custody of a child, triggering court involvement and monitoring for the duration of the case. In fact, a court must approve any short- and long-term plans for the child. As legal custodian of the child, DFPS must be responsible for any court-related duties, as it will be the entity preparing for and testifying in court about the child and making sure the child is moving toward living in a safe and permanent home.

Substitute care services, as defined in Family Code Section 264.106 (a)(5), means services provided to or for children in substitute care and their families, including the recruitment, training, and management of foster parents, the recruitment of adoptive families, and the facilitation of the adoption process, family preservation, independent living, emergency shelter, residential group care, foster care, therapeutic foster care, and post-placement supervision, including relative placement, but not including the regulation of facilities.

Removing the Mandate to Privatize and Allowing DFPS to Use Performance-Based Contracting for Services as is Cost Effective is the Better Approach

Of the four new pieces of legislation introduced this session, HB 1361 offers the more prudent approach and one that is far less disruptive to children and families.¹

¹ To read a full analysis of SB 758 and a discussion of substitute care and case management responsibilities, see *Strengthening Child Protective Services: An Analysis of DFPS's LAR and Senate Bill 758* (CFPP March 2007).

Unlike the other bills, HB 1361 stops mandatory privatization, but authorizes DFPS to enter into competitively procured contracts for case management and substitute care and tasks that agency with creating a system improvement plan.

Privatization of child welfare services is not a smart step for Texas. First, privatization is not a cure-all for problems in the child welfare system. States that have privatized part or all of their child welfare responsibilities have seen mixed results, and no state has completely or even substantially eradicated problems within their system. Caseworker turnover and high caseloads remain an issue, as do lack of services for families.

Second, DFPS may enter in to performance-based contracts, awarded through competitive bids, for case management and substitute care services when appropriate and contractually sound without a mandate to privatize. Forcing DFPS to enter into contracts destroys its ability to effectively negotiate, resulting in reduced market competition and costlier contracts.

Third, few private agencies have the financial and staff capacity to effectively carry out additional responsibilities incurred by privatization. As shown by the Mesa Family Services tragedy in North Texas—where a foster child died in a placement with a private entity—not all child-placing agencies are worthy candidates for taking on more child welfare work.

Fourth, turning over DFPS responsibilities to private entities will not streamline child welfare activities. In Texas' current system, one state agency handles all aspects of the case, including contracting out to service providers for things such as services for families and child placements. The state has legal custody and it manages the case. In a privatized system, several private entities may be involved with one family, leading to

numerous conflicts of interest and blurring the chain of responsibility.

Fifth, privatization will be more costly. Across the country, child welfare privatization efforts have not resulted in child welfare casework being done less expensively – a few are cost-neutral, but most are more expensive and, in the case of Florida, almost doubly so. Despite the increase in costs, most privatized systems still cite “underfunding” as a continuing problem. Texas cannot afford to do less for more.

Finally, Texas has not fared well in its recent attempt to privatize its public benefits system. That attempt resulted in unintended costs -- primarily major disruptions in the enrollment and distribution of benefits, including a dramatic drop in the number of children receiving health care through the state's children's health insurance program. Concerns about that system – the lack of public input, the lack of focus on clients, the focus on the financial bottom line, the loss of accountability, and the lack of any testing of the project – mirror those voiced about privatization of DFPS responsibilities.

Give DFPS Time to Implement Initiatives Started with SB6 and Task DFPS with Creating a System Improvement Plan

In 2005, the Legislature looked at improving investigations by passing Senate Bill 6, which increased funding for investigators, provided training and additional resources, and strengthened links to law enforcement. As a result, CPS has made progress in investigations. Caseloads are down and CPS is doing a better job addressing the immediate problems of children and families.

Now, the Legislature needs to turn its attention to the problems of children in out-of-home care. HB 1361 tasks DFPS with improving its own system by lowering caseloads, decreasing caseworker turnover,

increasing kinship placements and family group conferencing, improving the quality of services for families (including family preservation services), expanding the number and quality of substitute care providers, and reducing the length of time children are in state care.

DFPS needs time to implement this plan and push for changes within the system. If the state moves too quickly to privatize as a method of reform, DFPS will get out of the business of providing services and subsequently will lose one of its most valuable resources—knowledgeable employees. Turning back and rebuilding DFPS would be difficult and expensive.

Summary

No one has ever adequately explained why Texas should privatize. The state's public system does as well as or better on outcomes related to case management as the systems in states that have privatized case management.² Admittedly, some areas of the system need improvement, and that should be the focus.

HB 1361 is a wise approach for reforming the child welfare system. It stops mandatory privatization, yet it allows DFPS freedom to contract for innovative approaches to handling child welfare cases. At the same time, it tasks DFPS to make needed improvements to Texas' child welfare system.

² To learn more about these outcomes, see *CPS: Is the Legislature Going to Make Things Worse for Texas Children and Families* (CFPP April 2005).

DEGREE OF PRIVATIZATION REQUIRED BY CURRENT BILLS ³

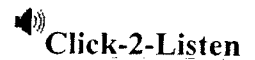
BILL	CASE MANAGEMENT SERVICES	SUBSTITUTE CARE SERVICES
HB 1361	None. Removes mandate to privatize -- DFPS authorized to enter into performance-based contracts with private entities for case management services, but DFPS must retain all legal related services	None. Removes mandate to privatize -- DFPS authorized to enter into performance-based contracts with private entities for substitute care services.
SB 758/HB 2140	At least 10 percent of cases by September 2009.	All substitute care services by September 2009.
HB 3916	All case management services state-wide by September 2012, with the first region privatized by May 2008.	All substitute care services state-wide by September 2012, with the first region privatized by May 2008.

³ To read a further comparison of HB 1361 and SB 758, see *Side by Side Comparison of Child Protective Services Reform Bills* (Texas Care for Children March 2007).

COMMENTARY

Roper: Privatizing welfare services would put profit above children

Tiffany Roper, CENTER FOR PUBLIC POLICY PRIORITIES



Monday, March 19, 2007

Texas recently announced the termination of its contract with Accenture, the private company the state hired to enroll Texans in health care, food stamps, and other social services. Though privatization was supposed to save the state money and improve services for families, thousands of the most vulnerable Texans were wrongly denied benefits and the state didn't save a dime.

Despite the failure of this privatization experiment, legislation is still in the works to privatize another essential state service — Child Protective Services, the child welfare arm of the Texas Department of Family and Protective Services. CPS investigates reports of child abuse and neglect and works to protect these children.

The first opportunity for the Legislature to discuss what to do about privatization will be this week when the Senate Health and Human Services Committee considers Senate Bill 758 by Chairwoman Jane Nelson, R-Lewisville. The bill calls for less privatization, but still moves Texas toward a privatized CPS system.

Historically an underfunded agency, there is no question that CPS needs more funding to hire additional staff and improve services for families. For 10 years, I represented CPS as a prosecutor and children in the foster care system as an attorney ad litem. I saw CPS' challenges firsthand. However, privatization won't solve the problem any more than it helped enroll Texans in public benefits.

A few weeks ago, I went on a fact-finding mission to Florida, which privatized its child welfare system over the past 10 years.

I talked with many of the people who are directly involved in the system, including lawyers, judges, service providers, community-based care agencies, state agency staff members and the guardians ad litem appointed to represent the best interests of the children in foster care. It became clear that privatization is not the solution.

For one thing, privatization is costly. In Florida, child welfare costs have risen. And despite the fact that the private companies promised more competition, better and more innovative services for children and families, more community involvement, more accountability and better outcomes for children, Florida has not seen substantial improvements. In fact, the rate of re-abuse after children have been returned home has risen since private entities took over.

In addition, privatization has failed to prevent the same problems in Florida that plague Texas' current child welfare system — high caseworker turnover and caseloads as well as inadequate resources for services for families. I heard many stories of inexperienced caseworkers who don't know what they are doing and who don't return phone calls. Even some initial proponents of privatization admitted to me that Florida has made a huge mistake.

Privatization in Florida also has resulted in conflicts of interest. Back here in Texas, pressure to reform CPS by privatizing isn't coming from child advocacy groups or even CPS itself, but from those in the private sector who would make more money in a privatized system.

Inevitably, the desire to make the most money will lead to financial decisions that could trump the best interests of children.

Privatization is risky business. There are no guaranteed results — which is dangerous in a child welfare system that makes life or death decisions regarding children. Decisions made by CPS — whether abuse has occurred, whether to take a child from a parent, whether to return a child to a parent or whether to place the child with a relative or in foster care — should be made by public employees who don't have a conflict of interest.

Those in the child welfare system are the victims of bad choices made by grownups. Texas must make careful, thoughtful choices in the best interest of the children in the state's care. Privatization isn't one of them.

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TUESDAY, APRIL 04, 2006

Class Action Lawsuit Filed on Behalf of North Florida Foster Children

Legal Action Taken Against the Florida Department of Children and Family Services and Private Contractor Big Bend Community Based Care.

(Tallahassee, FL - April 4, 2006) - A class action lawsuit filed in Florida state court today charges the Department of Children and Family Services ("DCF") and a private contract foster care agency, Big Bend Community Based Care, Inc., with failing to find appropriate and licensed foster placements for abused and neglected children. Specifically, DCF and Big Bend are accused of forcing foster children to sleep night after night in a conference room in a DCF building at 3019 Jackson Bluff Road in Tallahassee.

Florida and national attorneys filed the case, *Susan C. v. Florida Department of Children & Family Services* on behalf of foster children who have suffered physical harm and psychological trauma from being sent to live and sleep in a conference room with children of all ages, and without beds, bedding, adequate food, sanitary facilities, supervision, or medical care.

"If parents treated their children this way, the state would remove the kids. DCF and its private contractors should not be allowed to abuse vulnerable children with such degrading treatment," said Carole Shauffer, Executive Director of the Youth Law Center, and one of the attorneys for the children. "It is unconscionable that children can end up spending weeks living in the building and sleeping in office chairs or on top of conference tables."

The lawsuit charges that the State uses the Jackson Bluff Road office building by day for various DCF programs and to administer food stamps, but at night it houses children for whom Big Bend has not found a foster care placement. There are no individual sleeping rooms, dining areas or approved areas for food preparation. There are no recreation areas in the office, nor are there any provisions for privacy in sleeping, dressing or personal grooming.

"We are asking the court to order the State and Big Bend to no longer send foster children to live in the conference room," said Paolo Annino, Co-Director of the Children's Advocacy Clinic at Florida State University College of Law. "Florida state law requires that all placements for children in foster care be licensed by DCF to meet certain basic health and safety standards. Every time a child is sent to sleep in the conference room, DCF and Big Bend are breaking the law and putting the lives of at-risk children in considerable jeopardy. This illegal practice needs to end immediately."

"Would you want your child to live in your conference room for two weeks, or for that matter, even one night?" asked Corene Kendrick, Staff Attorney at the Youth Law Center. "It is not only unconstitutional but also morally indefensible for DCF and Big Bend to force Tallahassee foster children to live day after day in

a conference room, when these children have suffered so much in their young lives and have such complex needs."

The lawsuit alleges the following facts:

The children who are forced to sleep at the conference room usually arrive at the end of the workday around 5 p.m. They stay in the facility until 8 a.m., when the office is needed for business. As there is only an office bathroom at the building, in the mornings before school, the children are transported to take showers at a nearby motel or shelter.

While they are sent to live in the conference room, the children, of all ages and both sexes, sleep together. There is one air mattress and the most aggressive child usually gets it. The others sleep on top of conference tables or sitting up in chairs. The children often sleep using little more than their clothing or other belongings as a sheet or as pillows.

DCF hires a "babysitter" from a local temporary agency to supervise children overnight; on some occasions a caseworker will stay overnight. There may be a different babysitter every night. The babysitters have minimal training in dealing with high-needs children.

The children lack adequate medical care when they are in the conference room because there are no provisions for dealing with medical emergencies. Children with chronic illnesses are sometimes deprived of needed medication. At least one child suffered an asthma attack while living in the conference room, and there was no medicine for him. Another child had to be hospitalized after attempting suicide while living in the conference room.

There is no private place for the children to study or do homework. The children stay awake as late as they wish at night, and the television often is left on for the entire night.

The plaintiffs, who are suing the state in pseudonym, include:

Susan C., 15, has lived in the conference room on several occasions. Her longest stay lasted almost two weeks and her most recent stay was for ten days. When Susan has stayed in the conference room, there were up to ten children living there with her. Susan has been diagnosed with multiple psychiatric disorders. Susan also is asthmatic.

Cindy B., 13, lived in the conference room for approximately one week. She is developmentally disabled, has an IQ of 51, and is diagnosed with a number of psychiatric disorders. She also suffers enuresis and encopresis (involuntarily and repeatedly wetting and soiling herself). Due to her medical condition, Cindy has significant hygiene needs that are not easily met, especially by the limited bathroom facilities at the conference room.

Representing the children are attorneys Carole Shauffer, Corene Kendrick, and Jennifer Troia at the Youth Law Center, a nonprofit organization based in San Francisco that advocates for the rights of children in foster care and juvenile justice systems; Paolo Annino of Tallahassee; and Michael Dale of Ft. Lauderdale.

A copy of the complaint filed in the lawsuit is available on the Youth Law Center website at <http://www.ylc.org>.

posted by Youth Law Center @ 10:34 AM

<< Home



FOSTER CARE VS. FAMILY PRESERVATION: THE TRACK RECORD ON SAFETY

At the heart of the criticism of family preservation is one overriding assumption: If you remove a child from the home, the child will be safe. If you leave a child at home the child is at risk. In fact, there is risk in either direction, but **intensive family preservation programs have a better record of safety than foster care.**

To understand why, one must first understand one fundamental fact about foster care: It's not safe. Here's how we know:

National data on child abuse fatalities show that a child is nearly twice as likely to die of abuse in foster care as in the general population. [1]

A study of reported abuse in Baltimore, found the rate of "substantiated" cases of sexual abuse in foster care more than four times higher than the rate in the general population.[2] Using the same methodology, an Indiana study found three times more physical abuse and twice the rate of sexual abuse in foster homes than in the general population. **In group homes there was more than ten times the rate of physical abuse and more than 28 times the rate of sexual abuse as in the general population**[2], in part because so many children in the homes abused each other.[3]

Those studies deal only with reported maltreatment. The actual amount of abuse in foster care is likely to be far higher, since agencies have a special incentive not to investigate such reports, since they are, in effect, investigating themselves.

- In a study of investigations of alleged abuse in New Jersey foster homes, the researchers found a lack of "anything approaching reasonable professional judgment" and concluded that "no assurances can be given" that any New Jersey foster child is safe.[4]

- A lawyer who represents children in Broward County, Florida, says in a sworn affidavit that over a period of just 18 months he was made personally aware of 50 instances of child-on-child sexual abuse involving more than 100 Broward County foster children. The official number during this same period: Seven - because until what the lawyer called "an epidemic of child-on-child sexual abuse" was exposed, the child abuse hotline didn't accept reports of such abuse.[5]

- Another Baltimore study, this one examining case records, found abuse in 28 percent of the foster homes studied -- more than one in four.[6]

- A study of cases in Fulton and DeKalb Counties in Georgia found that among children whose case goal was adoption, 34 percent had experienced abuse, neglect, or other harmful conditions. For those children who had recently entered the system, 15 percent had experienced abuse, neglect or other harmful conditions in just one year.[7]

- A study of foster children in Oregon and Washington State found that nearly one third reported being abused by a foster parent or another adult in a foster home.[8]

- Even what is said to be a model foster care program, where caseloads are kept low and workers and foster parents get special training, is not immune. **When alumni of the Casey Family Program were interviewed, 24 percent of the girls said they were victims of actual or attempted sexual abuse in their foster homes.** Furthermore, this study asked only about abuse in the one foster home the children had been in the longest. A child who had been moved from a foster home precisely because she had been abused there after only a short stay would not even be counted.[9] Officials at the program say they have since lowered the rate of all forms of abuse to "only" 12 percent, but this is based on an in-house survey of the program's own caseworkers, not outside interviews with the children themselves.[10]

This does not mean that all, or even many, foster parents are abusive. The overwhelming majority do the best they can for the children in their care -- like the overwhelming majority of parents, period. But the abusive minority

is large enough to cause serious concern. And abuse in foster care does not always mean abuse by foster parents. As happened so often during the Illinois Foster Care Panic for example (see Issue Paper 2), and as the Indiana study shows, it can be caused by foster children abusing each other.

Compare the record of foster care to the record of family preservation.

The original Homebuilders program (See Issue Paper 10) has served 12,000 families since 1982. No child has ever died during a Homebuilders intervention, and only one child has ever died afterwards, more than a decade ago.[11]

Michigan has the nation's largest family preservation program. The program rigorously follows the Homebuilders model (see Issue Paper 10).

Since 1988, the Michigan family preservation program has served 90,000 children. During the first two years, two children died during the intervention. In the decade since, there has not been a single fatality.[12] **In contrast, when Illinois effectively abandoned family preservation, there were five child abuse deaths in foster care in just one year. That's one reason the state subsequently reversed course.**

Several states and localities that have bucked the national trend and embraced safe, proven programs to keep families together also have improved child safety.

One state that is leading the nation in reforming child welfare is the last state many people might expect: Alabama.

But Alabama is implementing a consent decree (*R.C. v. Hornsby*) resulting from a federal lawsuit requiring it to reframe its whole approach to child welfare by following family preservation principles.

Even with an increase in removals in recent years due to methamphetamine, Alabama still removes children at one of the lowest rates in the nation.[13] But re-abuse of children left in their own homes has been cut by 60 percent – to less than half the national average.[14]

An independent, court-appointed monitor concluded that children in Alabama are safer now than before the system switched to a family preservation model. The monitor wrote that "the data strongly support the conclusion that children and families are safer in counties that have implemented the R.C. reforms." [15]

Another leader is the county-run system in Pittsburgh and surrounding Allegheny County, Pa.

In the mid-1990s, the child welfare system in Pittsburgh was typically mediocre, or worse. Foster care placements were soaring and those in charge insisted every one of those placements was necessary.

New leadership changed all that. Since 1997, the foster care population has been cut by 30 percent. When children must be placed, more than half of children placed in foster homes stay with relatives, and siblings are kept together 80 percent of the time.[16]

They've done it by tripling the budget for primary prevention, doubling the budget for family preservation, embracing innovations like the Annie E. Casey Foundation's Family to Family program, and adding elements of their own, such as housing counselors in every child welfare office, so families aren't destroyed because of housing problems.

And, as in Alabama, children are safer. As the foster care population has fallen, re-abuse of children left in their own homes also has declined [17] and there has been a dramatic, sustained drop in child abuse fatalities.[18]

Illinois also has improved child safety, even as it dramatically reduced its foster care population. (See Issue Paper 2).

Why it works:

There are three primary reasons for the better safety record of communities that embrace safe, proven programs to keep families together:

- Most of the parents caught in the net of child protective services are not who most people think they are. (See [Issue Paper 5](#)).
- When child welfare systems take family preservation seriously, foster care populations stabilize or decline. Workers have more time to find the children who really do need to be placed in foster care. (See Issue Paper 8).
- Family preservation workers see families in many different settings for many hours at a time. Because of that, and because they are usually better trained than child protective workers they are far more likely than conventional child protective workers to know when a family can't be preserved -- and contrary to stereotype, they do place child safety first. (See Issue Paper 8)

Updated August 21, 2005

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 3. J William Spencer and Dean D. Kundsén, "Out of Home Maltreatment: An Analysis of Risk in Various Settings for Children," *Children And Youth Services Review* Vol. 14, pp. 485-492, 1992. [Back to Text](#).
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 8. Peter Pecora, et. al., *Improving Family Foster Care: Findings from the Northwest Foster Care Alumni Study* (Seattle: Casey Family Programs, 2005).
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 10. *How Are The Children Doing? Assessing Youth Outcomes in Family Foster Care*. (Seattle: Casey Family Program, 1998). [Back to Text](#).
 11. Personal communication from Charlotte Booth, Executive Director, Homebuilders. Even in the one case in which a child died after the intervention, in 1987, Homebuilders had warned that the child was in danger and been ignored. [Back to Text](#).
 12. Personal Communication, Susan Kelly, former director of family preservation services, Michigan Department of Social Services. [Back to Text](#).
 13. In 2003, the most recent year for which data are available, Alabama removed 13.5 children for every thousand impoverished children. The national average was 24.1. [Back to Text](#).
 14. Erik Eckholm, "Once Woeful, Alabama Is Model in Child Welfare," *The New York Times*, August 20, 2005.
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 17. See the *Annual Reports on Child Abuse*, published by the Pennsylvania Department of Public Welfare, from 1996 through 2001, which have data on each year's rate at which children are re-abused after being left in their own homes.
 18. Barbara White Stack, "For first time in 15 years, no child abuse fatalities here," *Pittsburgh Post-Gazette*, February 8, 2005.



Houston & Texas News

Walter Weakly and his wife, Karen, are Houston-area foster parents who chose to work with a nonprofit because of its Christian tenets.

STEVE UECKERT/CHRONICLE



March 18, 2007, 1:13PM

Fixing foster care in the state of Texas

By TERRI LANGFORD

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In the waiting room on Chimney Rock, on Houston's west side, books and toys share space with abused or neglected children who read and play while they wait for relatives to be contacted or foster families to be located.

But if no one takes them by nightfall, the waiting room furniture is pushed aside, the television shut off. Any one of five baby cribs lined up against the wall can be pulled to the room's center as well as six green rollaway beds stored down the hall.

Across Texas, rooms in Child Protective Services offices are being transformed into makeshift dormitories for children who often are the hardest to place in the state's 34,000-bed foster care system.

But overcrowding is just one of the problems facing CPS. Two years after lawmakers revamped the way Texas investigated child abuse, the state faces a second round of scrutiny — this time to its \$400 million foster care system.

As staffing and technique improved on the investigative end of the child protective system, the number of abused children taken into custody grew, putting the squeeze on an already crowded foster care system whose staffers are now the new overworked caseworker.

In January, the first month the Texas CPS began counting its overnight charges, at least 37 hard-to-place children slept in CPS offices. Of those, 32 spent a whole night, with the rest spending just a few hours before a home could be found. In one case, a child slept four nights in Dallas-area offices.

Twenty-two of those children stayed at the CPS children's waiting room on Chimney Rock. On March 5, there were 13 children, including three babies, who slept in the waiting room while staff members kept watch.

Houston has more children staying overnight in the waiting room in part because most of the state's facilities for emotionally troubled youths are here. Once children are discharged, CPS must find foster homes for them, and they are not always immediately ready.

"A lot of them are babies and teenagers. Babies and teenagers are hard to place," said Carrie Coleman, the CPS night supervisor at the Chimney Rock site.

Improved investigations

Two years ago, lawmakers revamped the way the state investigates child abuse after the seemingly preventable deaths of abused children revealed an overburdened and underfunded system.

Hundreds of investigators were added. Better interview techniques were adopted. Pay was raised. Quickly, investigators, with more manageable caseloads, were able to better track their charges.

Lawmakers always had planned to reform foster care after plugging the structural holes in the state's abuse-investigation system in 2005.

"We knew it was a massive undertaking," state Sen. Jane Nelson, R-Flower Mound, said of revamping social services.

And now, it's an urgent one. Since September, three foster care children — Christian Nieto, Katherine Frances and Andrew Burd — have died in foster homes selected by private contractors, revealing a lack of direct oversight of the companies' placements.

Placement needs increase

Each year, about 20,000 abused and neglected Texas children spend time in foster care. Their stays can last a few days or years. Another 10,000 are placed with friends, families or adoptive

homes.

Since 2004, the population of abused children placed in temporary foster homes or facilities has risen by at least 29 percent, or 6,465 more children.

Although there are more than 34,000 foster care beds available, many must be reserved for those children with serious emotional, physical or medical problems.

"The number of residential contract providers has failed to keep pace with this growing population, especially for those children with specialized and intense service needs," Patrick Crimmins, a Department of Family and Protective Services spokesman, said. "Further, there have been several closures and suspensions of facilities which serve the specialized and intense child populations."

In the background of all of these issues facing DFPS is the nagging question: Should the state get out of the foster care business entirely and hand off the daily management of cases to private companies?

It's a debate that bubbles up almost every legislative session.

And just as it seemed the Texas Legislature would look at privatization of foster care, the three foster care deaths inside homes overseen by private companies threw into question whether the private sector could produce a better system.

A national issue

Texas is not alone in trying to find a better way.

"Texas is experiencing the same challenges as all the other states," said Maria Scannapieco, director of the Center for Child Welfare at the University of Texas at Arlington.

California, Texas, New York and Florida have the largest number of children. Texas ranks second to California in the total number of children and third when it comes to the number of children in foster care.

Texas leads the other three states when it comes to the monthly amount it reimburses a foster parent. A minimum of \$20.56 per day pays for basic foster care services for a child without any serious emotional, medical or psychiatric problems.

"Do we know of a day care center who would provide 24-hour care for your child for \$20 a day?" asked Estella Olguin, a CPS spokeswoman in Houston.

Like many states, Texas always has had a hybrid type of foster care, with foster homes managed both by the state and the private sector.

More than 300 private, nonprofit child-placement agencies oversee 25,973 foster care beds. The state oversees 8,123 beds.

"That's kind of the way it is done throughout history and through the country," said Scott McCown, executive director of the Austin-based Center for Public Policy Priorities.

And the system as it stands is a good one, he said, at least from a cost standpoint, because the state acts as a competitor to keep the private sector's costs at a reasonable level.

"If I, as the state, go out of business completely, you (the private sector) can charge whatever you want," McCown said.

"Why do it?" he asks of making all of foster care a private venture. "There's no advantage to it."

A 'haphazard system'

But officials at private nonprofits, such as Houston's DePelchin Children's Center, say they feel their hands are tied. Company foster care homes can house only the child. The state controls all services provided to the child.

"It's sort of a haphazard system out there," said Dr. Curt Mooney, CEO of DePelchin, an agency that has cared for 645 foster care children since Jan. 1. "We get the child, and the case manager from the state has oversight. If we need to move the child from one place or another, we have to contact the state. They get the final word on where that child goes."

For foster parents who work for private companies and nonprofits, the presence of the state is never far away.

Walter Weakly and his wife, Karen, are Houston foster parents affiliated with a nonprofit, The Bair Foundation, because its Christian tenets match their own.

"It can get discouraging with all the red tape, and that interferes with the parenting," said Weakly, who with his wife fosters six boys. "I have to fill out a lot of paperwork when I could be playing basketball with them."

And considering the state's base rate is \$20.56 a day per child, you'd have to be crazy to be in it for the money, he said.

Still, the couple wouldn't trade the experience for anything.

"We had a passion and a desire to help kids who didn't have moms and dads," Weakly said.

Roy Block, president of the Texas Foster Families Association, has worked for the state as a foster parent and now works for a private agency.

"I don't think anyone comes up with anything better than privatization," Block said. "The whole idea behind this is: We need to have better outcomes. Children get lost in the system because

the workers are overburdened."

DFPS has asked for nearly 300 more workers to handle the foster care caseload and another \$90 million from lawmakers.

It's a proposal Nelson supports. "I will be a strong advocate for that," she said.

But it's not only a problem for state workers whose foster care caseload is growing. The recent foster care deaths spurred calls for tougher background checks of prospective parents affiliated with private companies.

Cases in point

Last September, Christian Nieto, 16 months old, died of head injuries in a privately managed Corsicana foster home 60 miles from where the state thought he was living.

His foster mother, who insists the boy already was injured when he was transferred to her care, has been charged with capital murder.

In October, 4-year-old Andrew Burd was pronounced dead on arrival at a Corpus Christi hospital after being forced to drink a mixture of water and Cajun seasoning.

His foster parents, who were in the process of adopting him when he died, have been charged with capital murder, and DFPS halted future foster care placements through the company that approved them.

And in December, 6-year-old Katherine Frances was found fatally body-slammed in her Dallas-area foster home, one affiliated with a private company. The foster mother's 14-year-old biological son was charged with murder.

"Any death of a child is going to get the public's attention, and it should," Nelson said.

Between August 2003 and August 2006, 14 children died from abuse by foster parents, the agency said. Thirty-two more children died in foster care from injuries they sustained from their own parents, relatives or friends before CPS removed them from their homes.

Those 46 deaths represent less than 1 percent of the children in Texas foster care each year.

But the fact that the three most recent deaths occurred while in the hands of privately managed foster homes has Nelson and others skittish about handing over all of foster care services to the private sector and has raised more questions about better oversight.

Foster care, she said, is not like some sort of manufacturing process that can be outsourced.

Where a manufacturer might wait for new vendor kinks to work themselves out, there's no room for error when it comes to abused children, she said.

"I have always been cautious when discussing privatization in this area because we're dealing with children," Nelson said.

But she's also interested in anyone who claims to be able to provide better results for children in foster care.

Looking for answers

Nelson, who has introduced a foster care reform package this session, said she's found that states that transferred all of foster care to private companies are considering taking some of that control back.

And states that control all aspects of foster care are looking at giving parts of it to private vendors.

"I don't know what the answer is. I think everyone's looking. The bottom line is whatever we have in place is protecting these kids," she said.

Despite her wariness, Nelson's reform bill proposes that 10 percent of the current foster care management's duties be outsourced to private firms as a sort of test.

"We would like to do that piece of it," said DePelchin's Mooney. "We would have greater impact on the families if we could do that."

Mooney stops short of criticizing the job the DFPS does. "The state caseworkers are good people. But they're trying to do so many things."

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PRESS RELEASE – 3/30/2007

**PRIVATIZATION OF FOSTER CARE COSTLY ON TWO FRONTS:
MONETARILY AND CARE FOR CHILDREN**

The Michigan County Social Services Association today came out against Senator Bill Hardiman's proposal, SB 232, to privatize both Foster Care and Juvenile Justice Services. Mel Haga, their Executive Director, indicated it opposes this change on two fronts.

Based on a study by the State Department of Human Services (DHS), this strategy would increase total costs of providing these services by over \$70 million, not save the \$36 million as the Senate subcommittee suggests. The difference of over \$70 million includes the cost the Department would incur in monitoring the increased number of purchased cases as well as the supervision of children placed with relatives and those in their own homes. The private care providers have always enjoyed the right of refusal for any case the Department refers and the proposal does not change this. As a result the Department must also carry a percentage of direct service cases and these are also included in the projected cost.

In addition to the monetary cost the Association indicates that there is also a human element to this change. Under the state supervised arrangement cases are maintained until the child is prepared for a more independent or permanent placement, arrangements to end foster or institutional care are made, and then the child is moved back to the community. There is no incentive for the local offices of the Department to retain the cases any longer than absolutely necessary. Numerous studies have shown that children supervised by private agencies remain in care longer than those supervised by the Department. For private caregivers increased days in care add up to additional revenues.

The longer a child remains in care the more difficult it is to make arrangements for an alternative placement, and the more difficult it is for the child to make that transition from supervised care back into the community.

The track record of state supervised care is exemplary and is cost effective. The Department's foster care staff is in the same community as the children so response to a crisis is timelier, and because they are a part of the local community they understand the environment in which the child must function. In our rural counties the private agency and its support staff as well as the foster care staff are many times located several counties distant. Staff turn over in private agencies is higher than at DHS, consequently staff is inexperienced and in some cases that impacts the safety of children.

The Association wishes to emphasize the point that the issue here is really not the cost or the turf battle but the level and quality of care the children receive. If you set the above two issues aside and look only at which system provides consistent, quality care, then in our opinion the Department should continue to be the primary provider of foster care services. This does not exclude the private agencies from continuing as a partner in this effort. Purchasing a percentage of the needed services will always be part of the system as it is now.